Morgan Stanley Finance LLC

Legal Entity Identifier (LEI): 5493003FCPSE9RKT4B56

Issue of Morgan Stanley Finance LLC USD 165,000,000 Callable Zero-Coupon Notes due 30 July 2060

(the "**Notes**")

Guaranteed by Morgan Stanley

under the

Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates

Issue Price: 100 per cent. of the Aggregate Nominal Amount

Issue Date: 30 July 2020

This information package includes the Offering Circular dated 26 June 2020 (the "**Offering Circular**") as supplemented by the pricing supplement for the Notes dated 30 July 2020 (the "**Pricing Supplement**", together with the Offering Circular, the "**Information Package**").

The Notes will be issued by Morgan Stanley Finance LLC (the "**Issuer**").

Application will be made by the Issuer for the Notes to be listed on the Taipei Exchange ("**TPEx**") in the Republic of China (the "**ROC**").

Effective date of listing and trading of the Notes is on or about 30 July 2020.

TPEx is not responsible for the contents of the Information Package and any supplement or amendment thereto and no representation is made by TPEx to the accuracy or completeness of the Information Package and any supplement or amendment thereto. TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this Information Package and any supplement or amendment thereto. Admission to the listing and trading of the Notes on TPEx shall not be taken as an indication of the merits of the Issuer or the Notes.

The Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than "professional institutional investors" as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC ("**Professional Institutional Investors**"), 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.

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 U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **"SECURITIES ACT"**), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

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 "*NO OWNERSHIP BY U.S. PERSONS*" IN THE ACCOMPANYING OFFERING CIRCULAR DATED 29 JUNE 2018. IN PURCHASING THE NOTES, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON.

Lead Manager and

MORGAN STANLEY TAIWAN LIMITED

Liquidity Provider

YUANTA SECURITIES CO., LTD.

Managers

MORGAN STANLEY TAIWAN LIMITED

E.SUN COMMERCIAL BANK, LTD.

FUBON SECURITIES CO., LTD.

YUANTA SECURITIES CO., LTD.

CATHAY UNITED BANK CO., LTD.

Pricing Supplement dated 30 July 2020

Morgan Stanley Finance LLC

Legal Entity Identifier (LEI): 5493003FCPSE9RKT4B56

Issue of USD 165,000,000 Callable Zero-Coupon Notes due 30 July 2060

(the "**Notes**")

Guaranteed by Morgan Stanley

under the

Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates

The Offering Circular referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area or in the United Kingdom (each, a "**Relevant State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Distribution Agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Distribution Agent has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

Warning: Neither this Pricing Supplement nor the Offering Circular referred to below constitutes a "prospectus" for the purposes of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"), and the Pricing Supplement and the Offering Circular have been prepared on the basis that no prospectus shall be required under the Prospectus Regulation in relation to any Notes be offered and sold under hereby.

THE NOTES ARE NOT DEPOSITS OR SAVINGS ACCOUNTS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR DEPOSIT PROTECTION SCHEME ANYWHERE NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS: IF THE PRICING SUPPLEMENT IN RESPECT OF ANY NOTES INCLUDES A LEGEND ENTITLED "PROHIBITION OF SALES TO EEA AND 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 EUROPEAN ECONOMIC AREA OR IN THE UNITED KINGDOM. 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, IF THE PRICING SUPPLEMENT IN RESPECT OF ANY NOTES INCLUDES A LEGEND ENTITLED "PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS", 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 OR IN THE UNITED KINGDOM 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 OR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

PART A – CONTRACTUAL TERMS

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 U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. 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 "*NO OWNERSHIP BY U.S. PERSONS*" IN THE ACCOMPANYING OFFERING CIRCULAR DATED 26 JUNE 2020. IN PURCHASING THE NOTES, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON.

THE NOTES ARE NOT RATED.

This document constitutes the Pricing Supplement relating to the issue of the Notes described herein. This Pricing Supplement must be read in conjunction with the Offering Circular dated 26 June 2020 (the "**Offering Circular**"). Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. Copies of the Offering Circular are available from the offices of Morgan Stanley & Co. International plc at 25 Cabot Square, Canary Wharf, London, E14 4QA. The Offering Circular has also been published on the website of Euronext Dublin (www.ise.ie) and the Luxembourg Stock Exchange (www.bourse.lu).

Information Concerning Investment Risk

Noteholders and prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition.

In purchasing any Notes, purchasers will be deemed to represent and undertake to the Issuer, Dealer and each of their affiliates that (i) such purchaser understands the risks and potential consequences associated with the purchase of the Notes and (ii) that such purchaser has consulted with its own legal, regulatory, investment, accounting, tax and other advisers to extent it believes is appropriate to assist it in understanding and evaluating the risks involved in, and the consequences of, purchasing the Notes.

Potential investors are urged to consult with their legal, regulatory, investment, accounting, tax and other advisors with regard to any proposed or actual investment in the Notes and to review the Offering Circular. Please see the Offering Circular together with this Pricing Supplement for a full detailed

description of the Notes and in particular, please review the Risk Factors associated with these Notes. Investing in the Notes entails certain risks including, but not limited to, the following:

Adjustments by the Determination Agent: The terms and conditions of the Notes will allow the Determination Agent to make adjustments or take any other appropriate action if circumstances occur where the Notes or any exchanges are affected by market disruption, adjustment events or circumstances affecting normal activities.

Credit Risk: Investors are exposed to the credit risk of the Issuer. The Notes are essentially a loan to the Issuer with a repayment amount that the Issuer promises to pay to you at maturity. There is the risk, however, that the Issuer may not be able to fulfil its promise to you. 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. You may lose all or part of your investment if the Issuer is unable to pay the redemption amount and/or goes into liquidation. No assets of the Issuer are segregated and specifically set aside in order to pay the holders of the Notes in the event of liquidation of the Issuer, and the holders of the Notes will rank behind creditors who have priority rights over certain assets of the Issuer.

Market Risk: The Notes are denominated, and all payments will be made, in U.S. Dollars. There are risks inherent in investments in notes denominated and payable in U.S. Dollars for investors whose home and/or functional currency is not U.S. Dollars. You should consult your financial, legal and tax advisers as to any specific risks entailed by an investment in notes that are denominated and payable in a currency other than the currency of the country in which you are resident or in which you conduct your business. We refer to such country as your "home country" and to the currency of your home country as your "home currency".

Exit Risk: The secondary market price of the Notes will depend on many factors, including interest rates, FX rates, interest rate volatility, time remaining to maturity and the creditworthiness of the Issuer. Depending on the actual or anticipated level of the refence rate, the market value of the notes may decrease and you may receive substantially less than 100% of the issue price if you sell your notes prior to maturity.

Liquidity Risk: The Notes will not be traded on an organised 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 holder.

The Notes have early redemption risk. An Optional Early Redemption, in whole but not in part, will occur on an Optional Early Redemption Date if and only if the output of a risk neutral valuation model on a business day that is at least 5 business days prior to (but no more than 8 business days prior to) such Optional Early Redemption Date, based on the inputs indicated in the Optional Early Redemption feature terms, indicates that redeeming on such date is economically rational for us as compared to not redeeming on such date. In accordance with the risk neutral valuation model determination noted herein, it is more likely that the Issuer will redeem the Notes prior to their stated Maturity Date to the extent that the interest payable on the Notes is greater than the interest that would be payable on other instruments of the Issuer of a comparable maturity, of comparable terms and of a comparable credit rating trading in the market. If the Notes are redeemed prior to their stated Maturity Date, you will receive no further interest payments on the redeemed Notes and may have to re-invest the proceeds in a lower interest rate environment.

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 holders on the Notes.

Potential Conflict of Interest: The Determination Agent (MSI plc) is an affiliate of the Issuer and the economic interests of the Determination Agent may be adverse to the interests of holders of the Notes. Determinations made by the Determination Agent may affect the amount payable to holders pursuant to the terms of the Notes.

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.

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.

1.	(i)	Issuer:	Morgan Stanley Finance LLC
	(ii)	Guarantor:	Morgan Stanley
2.	(i)	Series Number:	K0237
	(ii)	Tranche Number:	1
3.	Specified Currency or Currencies:		United States Dollars ("**USD**")
4.	Aggregate Nominal Amount of the Notes:		
	(i)	Series:	USD165,000,000
	(ii)	Tranche:	USD165,000,000
5.	Issue Price		100 per cent. of par per Note
6.	(i)	Specified Denominations:	USD1,000,000
	(ii)	Calculation Amount (Par):	USD1,000,000
7.	(i)	Issue Date:	30 July 2020
	(ii)	Trade Date:	17 July 2020
	(iii)	Interest Commencement Date	Not Applicable
	(iv)	Strike Date	Not Applicable
	(v)	Determination Date	Not Applicable
8.	Maturity Date:		30 July 2060, subject to adjustment in accordance with the Modified Following Business Day Convention
9.	Interest Basis:		Zero Coupon
10.	Redemption/Payment Basis:		Redemption at Final Redemption Amount
11.	Change of Interest or Redemption/Payment Basis:		Not Applicable
12.	Put/Call Options/Autocallable Early Redemption:		
	(i)	Redemption at the Option of the Issuer: (Condition 23.5)	Applicable, subject to "Call Option" provision below.
	(ii)	Redemption at the Option of the Noteholders: (Condition 23.7)	Not Applicable
	(iii)	Autocallable Early Redemption: (Condition 20)	Not Applicable

	(iv)	Other put/call options:	Not Applicable
13.	(i)	Status of the Notes: (Condition 4)	As set out in Condition 4.1
	(ii)	Status of the Guarantee:	As set out in Condition 4.2
14.		Method of distribution:	Non-syndicated

RELEVANT UNDERLYING

15.

(A)	Single Share Notes, Share Basket Notes: (Condition 10)	Not Applicable
(B)	Single Index Notes, Index Basket Notes: (Condition 10)	Not Applicable
(C)	Single ETF Notes, ETF Basket Notes: (Condition 10)	Not Applicable
(D)	Commodity-Linked Notes: (Condition 11)	Not Applicable
(E)	Currency-Linked Notes: (Condition 12)	Not Applicable
(F)	Inflation-Linked Notes: (Condition 13)	Not Applicable
(G)	Property-Linked Notes: (Condition 14)	Not Applicable
(H)	Fund-Linked Notes: (Condition 15)	Not Applicable
(I)	Futures Contract-Linked Notes: (Condition 16)	Not Applicable
(J)	Preference Share-Linked Notes: (Condition 19)	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Note Provisions** (Condition 5)		Not Applicable
17.	**Floating Rate Note Provisions** (Condition 6)		Not Applicable
18.	**Zero Coupon Note Provisions** (Condition 7)		Applicable
	(i)	Accrual Yield:	3.00 per cent. per annum
	(ii)	Reference Price:	100.00 per cent.
	(iii)	Day Count Fraction:	30/360 (ISDA)
	(iv)	Additional Business Centre(s):	New York and London
	(v)	Any other formula/basis of determining amount payable	Not Applicable
19.	**Dual Currency-Linked Note Interest Provisions** (Condition 8)		Not Applicable
20.	**Equity-Linked Note Provisions** (Condition 10)		Not Applicable
21.	**Commodity Linked Interest Note Provisions** (Condition 11)		Not Applicable
22.	**Currency-Linked Interest Note Provisions** (Condition 12)		Not Applicable
23.	**Inflation-Linked Interest Note Provisions** (Condition 13)		Not Applicable
24.	**Property-Linked Interest Note Provisions** (Condition 14)		Not Applicable
25.	**Fund-Linked Interest Note Provisions** (Condition 15)		Not Applicable
26.	**Futures Contract Lined Interest Note Provisions** (Condition 16)		Not Applicable
27.	**Credit-Linked Interest Note Provisions** (Condition 17)		Not Applicable
28.	**ETN-Linked Interest Rate Note Provision** (Condition 18)		Not Applicable
29.	**Preference Share-Linked Interest Note Provisions** (Condition 19)		Not Applicable

PROVISIONS RELATING TO REDEMPTION

30.	**Call Option** (Condition 23.5)	Applicable, provided that notwithstanding anything to the contrary in Condition 23.5, an early redemption, in whole but not in part, will occur on an Optional Redemption Date at the Optional Redemption Amount corresponding to

			such Optional Redemption Date (as set out below), if and only if the output of a risk neutral valuation model on a Business Day that is at least 5 but no greater than 8 Business Days prior to such Optional Early Redemption Date, as selected by the Determination Agent (the "Optional Redemption Determination Date"), taking as input: (i) prevailing reference market levels, volatilities and correlations, as applicable and in each case as of the Optional Redemption Determination Date, and (ii) the Issuer's credit spreads as of the Trade Date(s), indicates that redeeming the Notes on such Optional Early Redemption Date is economically rational for the Issuer as compared to not redeeming on such Optional Early Redemption Date. If the Issuer is required to redeem the Notes on any Optional Redemption Date, the Issuer will give the Noteholders not less than 5 Business Days' prior notice.
	(i)	Optional Redemption Date:	30 July 2027, 30 July 2033, 30 July 2039, 30 July 2045, 30 July 2051 and 30 July 2057, in each case subject to adjustment in accordance with the Modified Following Business Day Convention
	(ii)	Optional Redemption Amount of each Note and method, if any, of calculation of such amount:	In relation to 30 July 2027, USD 1,229,873.87 per Calculation Amount; In relation to 30 July 2033, USD 1,468,533.71 per Calculation Amount; In relation to 30 July 2039, USD 1,753,506.05 per Calculation Amount; In relation to 30 July 2045, USD 2,093,777.93 per Calculation Amount; In relation to 30 July 2051, USD 2,500,080.35 per Calculation Amount; and In realtion to 30 July 2057, USD 2,985,226.68 per Calculation Amount.
	(iii)	Maximum Call Notice Number of Day(s):	Not Applicable
	(iv)	Minimum Call Notice Number of Day(s):	5 Business Days
31.	**Put Option** (Condition 23.7)		Not Applicable
32.	**Autocallable Early Redemption** (Condition 20)		Not Applicable
33.	**Final Redemption Amount of each Note** (Condition 23.1)		USD 3,262,037.79 per Calculation Amount

34.	**Dual Currency Redemption Provisions** (Condition 8)	Not Applicable
35.	**Equity-Linked Redemption Provisions** (Condition 10)	Not Applicable
36.	**Commodity-Linked Redemption Provisions** (Condition 11)	Not Applicable
37.	**Currency-Linked Redemption Provisions** (Condition 12)	Not Applicable
38.	**Inflation-Linked Redemption Provisions** (Condition 13)	Not Applicable
39.	**Property-Linked Redemption Provisions** (Condition 14)	Not Applicable
40.	**Fund-Linked Redemption Provisions** (Condition 15)	Not Applicable
41.	**Futures Contract-Linked Redemption Provisions** (Condition 16)	Not Applicable
42.	**Credit Linked Redemption Provisions** (Condition 17)	Not Applicable
43.	**ETN-Linked Redemption Provisions** (Condition 18)	Not Applicable
44.	**Preference Share-Linked Redemption Provisions** (Condition 19)	Not Applicable
45.	(i) Early Redemption Amount upon Event of Default: (Condition 28)	Accrued Value on the basis of a 30/360 (ISDA) Day Count Fraction
	(ii) Early Redemption Amount(s) payable upon an event described in Condition 6.14/10.2(d)/10.2(f)/10.4(a)(iii)/ 10.4(b)(iii)/10.5(c)/10.6(c)/10.7(c)/ 10.8(c)/11.4(c)/11.6(d)/11.7(d)/ 11.8(b)/12.6(a)(iii)/12.8(c)/13.2(e)/ 13.6(c)14.3/14.8/14.9(c)/15.4/19.6/ 19.7	Not Applicable
	(iii) Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons: (Conditions 23.3)	Fair Market Value Less Costs
46.	Illegality and Regulatory Event:	
	(Condition 29)	
	(i) Illegality and Regulatory Event:	Applicable
	(ii) Early Redemption Amount (Illegality and Regulatory Event)	Early Redemption Amount (Illegality and Regulatory Event) – Fair Market Value Less Costs

47.	Substitution of Issuer or Guarantor with non Morgan Stanley Group entities: (Condition 38.2)	Applicable
48.	Governing Law:	English law

GENERAL PROVISIONS APPLICABLE TO THE NOTES

49.	Form of Notes: (Condition 3)	Registered Notes Global Note Certificate registered in the name of a common depositary for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate.
50.	Record Date:	For so long as the Notes are represented by a Global Note Certificate, the Record Date shall be one Clearing System Business Day before the relevant due date for payment. The Record Date for Notes in definitive form shall be 15 days before the relevant due date for payment.
51.	Additional Financial Centre(s) or other special provisions relating to Payment Business Days:	New York and London
52.	Determination Agent	Morgan Stanley & Co. International plc (the "**Determination Agent**"). The Determination Agent shall act as an expert and not as an agent for the Issuer or the Noteholders. All determinations, considerations and decisions made by the Determination Agent shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive and the Determination Agent shall have no liability in relation to such determinations except in the case of its wilful default or bad faith.
53.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
54.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
55.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
56.	Restrictions on free transferability of the Notes:	None
57.	Inconvertibility Event Provisions: (Condition 21)	Not Applicable
58.	CNY Centre:	Not Applicable

59.	Taxation:		
	(i) Condition 25.1		"Additional Amounts" is Not Applicable
	(ii) Condition 25.4		Implementation of Financial Transaction Tax: Applicable
60.	Other terms:		Not Applicable

DISTRIBUTION

61.	(i)	If syndicated, names and addresses of Managers and underwriting commitments: and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as Managers.)	Not Applicable
	(ii)	Date of Agreement:	Not Applicable
	(iii)	Stabilising Manager(s) (if any):	Not Applicable
62.	If non-syndicated, name and address of Dealer:		MORGAN STANLEY TAIWAN LIMITED of 22nd Floor, 207 Tun-Hwa South Road, Sec 2, Taipei 106, Taiwan YUANTA SECURITIES CO., LTD. of 13、14F, No. 225, Sec. 3, Nanjing E. Rd., Taipei 104, Taiwan E.SUN COMMERCIAL BANK, LTD. of No. 115&117, Sec.3, Minsheng E.Rd., Songshan District, Taipei, Taiwan CATHAY UNITED BANK CO., LTD. of 2/F., No. 7, Songren Road, Taipei 11073, Taiwan, R.O.C. FUBON SECURITIES CO., LTD. of Number 108 Dunhua South Road, Section 1, Songshan District, Taipei, Taiwan
63.	U.S. Selling Restrictions:		Regulation S
64.	Additional Selling Restrictions:		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.

Taxation

This discussion is limited to the U.S. federal tax issues addressed below. Additional issues may exist that are not addressed in this discussion and that could affect the federal tax treatment of an investment in the Notes. Holders should seek their own advice based upon their particular circumstances from an independent tax advisor.

A Non-U.S. Holder (as defined in the Offering Circular) should review carefully the section entitled "United States Federal Taxation" in the Offering Circular.

POTENTIAL SECTION 871(m) TRANSACTION

Please see paragraph 5 of Part B – Other Information to this Pricing Supplement for additional information regarding withholding under Section 871(m) of the Code.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: .....
Duly authorised

PART B – OTHER INFORMATION

1. **LISTING**

Listing and admission to Trading:	Application will be made for the Notes to be admitted to be traded on the Taipei Exchange ("**TPEx**") with effect from the Issue Date. No assurances can be given that such application for listing and/or admission to trading will be granted, or if granted, will be granted by the Issue Date. TPEx is not responsible for the contents of this document, the Offering Circular and any supplement or amendment thereto and no representation is made by TPEx to the accuracy or completeness of this document, the Offering Circular and any supplement or amendment thereto. TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document, the Offering Circular and any supplement or amendment thereto. Admission to the listing and trading of the Notes on the TPEx shall not be taken as an indication of the merits of the Issuer or the Notes. The Issuer has no duty to maintain the listing (if any) of the Notes on the relevant stock exchange(s) over their entire lifetime.

2. **RATINGS**

Ratings:	The Notes will not be rated.

3. **OPERATIONAL INFORMATION**

ISIN Code:	XS1906331951
Common Code:	190633195
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking *société anonyme* and the relevant identification number(s):	Not Applicable
CFI:	Not Applicable
FISN:	Not Applicable
Delivery:	Delivery free of payment
Names and addresses of initial Paying Agent(s):	The Bank of New York Mellon One Canada Square London E14
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as

common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

4.	**POTENTIAL SECTION 871(M) TRANSACTION**	Not Applicable
5.	**PROHIBITION OF SALES TO EEA RETAIL INVESTORS:**	Applicable
6.	**BENCHMARK REGULATION:**	Not Applicable
7.	**ROC TAXATION**	*The following is a general description of the principal of ROC tax consequences for investors receiving interest in respect of, of disposing of, the Notes and is of a general nature based on the Issuer's understanding of current law and practice. It does not purport to be comprehensive and does not constitute legal or tax advice.* *This general description is based upon the law as in effect on the date hereof and that the Notes will be issued, offered, sold or re-sold, directly or indirectly, to professional institutional investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC only. This description is subject to change potentially with retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Notes.* *Interest on the Notes* As the Issuer of the Notes is not a ROC statutory tax withholder, there is no ROC withholding tax on the interest or deemed interest to be paid on the Notes. ROC corporate holders must include the interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 17 per cent. (unless the total taxable income for a fiscal year is under NT$120,000), as they are subject to income tax on their worldwide income on an accrual basis. The alternative minimum tax ("**AMT**") is not applicable. *Sale of the Notes* In general, the sale of corporate bonds or financial bonds is subject to a 0.1 per cent. securities transaction tax ("**STT**") on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act of the ROC prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Notes will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, ROC corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the Income Tax Act of the ROC, the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over 5 years to offset against capital gains of same category of income for the purposes of calculating their AMT.

INVESTOR REPRESENTATIONS

Any investment in the Notes made with the intention to offer, sell or otherwise transfer (together, "**distribute**" and each a "**distribution**") such Notes to prospective investors will be deemed to include, without limitation, the following representations, undertakings and acknowledgements:

a) (i) you are purchasing the instruments as principal (and not as agent or in any other capacity); (ii) none of the Issuer, the Dealer or their affiliates is acting as a fiduciary or an advisor to it in respect of the instruments; (iii) you are not relying upon any representations made by the Issuer, the Guarantor or any of their affiliates; (iv) you have consulted with your own legal, regulatory, tax, business, investments, financial, and accounting advisers to the extent that you have deemed necessary, and you have made your own investments, hedging and trading decisions based upon your own judgement and upon any advice from such advisors as you have deemed necessary and not upon any view expressed by the Issuer or any of its affiliates or agents and (v) you are purchasing the instruments with a full understanding of the terms, conditions and risks thereof and you are capable of and willing to assume those risks;

b) you shall only distribute as principal or, alternatively, acting on a commission basis in your own name for the account of your investors and will not do so as agent for any Morgan Stanley & Co. International plc entity (together "**Morgan Stanley**") who shall assume no responsibility or liability whatsoever in relation to any such distribution. You shall distribute the product in your own name and to such customers as you identify in your own discretion, at your own risk and under your sole responsibility. You shall make such enquiries you deem relevant in order to satisfy yourself that prospective investors have the requisite capacity and authority to purchase the product and that the product is suitable for those investors;

c) you shall not make any representation or offer any warranty to investors regarding the product, the Issuer or Morgan Stanley or make any use of the Issuer's or Morgan Stanley's name, brand or intellectual property which is not expressly authorised and you shall not represent you are acting as an agent of Morgan Stanley in such distribution. You acknowledge that neither the Issuer nor Morgan Stanley assume any responsibility or liability whatsoever in relation to any representation or warranty you make in breach hereof;

d) if you distribute any material prepared and transmitted by the Issuer or by Morgan Stanley, you shall only distribute the entire material and not parts thereof. Any material you, or any third party you engage on your behalf, prepare shall be true and accurate in all material respects and consistent in all material respects with the content of the Base Prospectus or Offering Circular and the Pricing Supplement and shall not contain any omissions that would make them misleading. You shall only prepare and distribute such material in accordance with all applicable laws, regulations, codes, directives, orders and/or regulatory requirements, rules and guidance in force from time to time ("**Regulations**"). You acknowledge that neither the Issuer nor Morgan Stanley shall have any liability in respect of such material which shall, for the avoidance of doubt, at all times be your sole responsibility;

e) you will not, directly or indirectly, distribute or arrange the distribution of the product or disseminate or publish (which for the avoidance of doubt will include the dissemination of any such materials or information via the internet) any materials or carry out any type of solicitation in connection with the product in any country or jurisdiction, except under circumstances that will result in compliance with all applicable Regulations and selling practices, and will not give rise to any liability for the Issuer or Morgan Stanley. For the avoidance of doubt, this includes compliance with the selling restrictions mentioned herein;

f) if you receive any fee, rebate or discount, you shall not be in breach of any Regulation or customer or contractual requirements or obligations and you shall, where required to do so (whether by any applicable Regulation, contract, fiduciary obligation or otherwise), disclose such fees, rebates and discounts to your investors. You acknowledge that where fees are payable, or rebates or discounts applied, the Issuer and Morgan Stanley are obliged to disclose the amounts and/or basis of such fees, rebates or discounts at the request of any of your investors or where required by any applicable Regulations.

g) you will be committed to purchase at the issue price stated in the term sheet for these Notes (or at the price otherwise agreed between us) instruments, when issued, in the agreed quantity and having terms, as provided in the definitive documentation, consistent with those in the term sheet (subject to any modifications agreed between us);

h) we may enter into hedging or other arrangements in reliance upon your commitment, and, if you fail to comply with your commitment, your liability to us shall include liability for our costs and losses in unwinding such hedging or other arrangements;

i) you agree and undertake to indemnify and hold harmless and keep indemnified and held harmless the Issuer, the Dealer and each of their respective affiliates and their respective directors, officers and controlling persons from and against any and all losses, actions, claims, damages and liabilities (including without limitation any fines or penalties and any legal or other expenses incurred in connection with defending or investigating any such action or claim) caused directly or indirectly by you or any of your affiliates or agents to comply with any of the provisions set out in (a) to (i) above, or acting otherwise than as required or contemplated herein.

j) You are not purchasing the Notes as an extension of credit to Morgan Stanley pursuant to a loan agreement entered into in the ordinary course of your trade or business.

OFFERING CIRCULAR FOR NOTES, WARRANTS AND CERTIFICATES

26 June 2020

Morgan Stanley

as issuer and guarantor
(incorporated under the laws of the State of Delaware in the United States of America)

MORGAN STANLEY & CO. INTERNATIONAL PLC
as issuer
(incorporated with limited liability in England and Wales)

MORGAN STANLEY B.V.
as issuer
(incorporated with limited liability in The Netherlands)

MORGAN STANLEY FINANCE LLC
as issuer
(formed under the laws of the State of Delaware in the United States of America)

Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates

Under the Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates (the "**Program**") described in this Offering Circular (the "**Offering Circular**"), Morgan Stanley ("**Morgan Stanley**"), Morgan Stanley & Co. International plc ("**MSI plc**" or "**MSIP**"), Morgan Stanley B.V. ("**MSBV**") and Morgan Stanley Finance LLC ("**MSFL**") or any of Morgan Stanley's subsidiaries that accedes to the Program (each, an "**Additional Issuer**" and, together with Morgan Stanley, MSI plc, MSBV and MSFL, the "**Issuers**" and each, an "**Issuer**") may offer from time to time Series A Notes and Series B Notes (together, the "**Notes**"), Warrants (the "**Warrants**") and Certificates (the "**Certificates**"). The Notes, Warrants and Certificates which are being offered under this Offering Circular (including, in the case of English Law Notes, as issued under the Issue and Paying Agency Agreement and, in the case of Warrants and Certificates, as issued under the Securities Agency Agreement (in each case, as defined below)) shall be referred to collectively as "**Program Securities**" in this Offering Circular.

References herein to "**this Offering Circular**" shall, where applicable, be deemed to be references to this Offering Circular as supplemented from time to time. The specific terms of any Program Securities will be as set forth in this Offering Circular and (i) completed by the applicable Pricing Supplement prepared in relation to the Program Securities, or (ii) supplemented, amended and/or replaced to the extent described in the relevant drawdown Listing Particulars (as defined in the rules of the Global Exchange Market of Euronext Dublin, as revised from time to time, or as defined in the rules of the GSX Global Market of the Gibraltar Stock Exchange), as the case may be.

The payment of all amounts due in respect of Program Securities issued by MSBV, MSFL or an Additional Issuer will, unless specified otherwise in the appropriate Pricing Supplement or, in the case of an Additional Issuer, in the accession agreement pursuant to which such Additional Issuer accedes to the Program, be unconditionally and irrevocably guaranteed by Morgan Stanley (in such capacity, the "**Guarantor**") pursuant to a guarantee dated as of 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time). Payment of amounts due in respect of Notes, Warrants and Certificates issued by MSI plc is not guaranteed by Morgan Stanley.

The Program Securities are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to "retail clients" in the European Economic Area (the "**EEA**") or the United Kingdom (the "**UK**"), as defined in the rules set out in the Markets in Financial Instruments Directive 2014/65/EU, as amended ("**MiFID II**"). Prospective investors are referred to the section headed "*PRIIPs / IMPORTANT – EEA and UK RETAIL INVESTORS*" on page vi of this Offering Circular for further information.

This Offering Circular is valid for 12 months as of 26 June 2020 and may be supplemented from time to time.

MORGAN STANLEY

as Arranger

Important Notices

Warning

This Offering Circular does not constitute a "prospectus" for the purposes of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"), and has been prepared on the basis that no prospectus shall be required under the Prospectus Regulation for any Program Securities to be offered and sold under it. This Offering Circular has not been approved or reviewed by any regulator which is a competent authority under the Prospectus Regulation in the EEA or in any other jurisdiction.

Approvals

This Offering Circular has been approved by:

(i) The Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") as base Listing Particulars pursuant to the listing and admission to trading rules of Euronext Dublin for the purpose of providing information with regard to the issue of Program Securities hereunder, to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market during the twelve month period following the date hereof. The Global Exchange Market is the exchange regulated market of Euronext Dublin and is not a regulated market for the purposes of MiFID II;

(ii) the SIX Swiss Exchange pursuant to points 12 et seq. of the directive of the SIX Swiss Exchange on the listing of notes for the purpose of giving certain information with regard to the Issuers, the Terms and Conditions applying to the Program Securities and certain other issues in connection with the issuance of Program Securities under the Program, in each case within 12 months following the date of this document;

(iii) the Luxembourg Stock Exchange pursuant to the appendices to the Rules and Regulations of the Luxembourg Stock Exchange, to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF market and to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's Euro MTF market is not a regulated market for the purposes of MiFID II. Pursuant to Part 2 / Chapter 2 / point 206 of the Rules and Regulations of the Luxembourg Stock Exchange, every significant new factor relating to the information contained in this Offering Circular, which is capable of affecting the assessment of the Program Securities and arises after the date hereof, shall be covered by a supplement to this Offering Circular. This Offering Circular constitutes a Base Prospectus for the purpose of Luxembourg law dated July 16, 2019 on Prospectus for Securities and the Pricing Supplement; and

(iv) the Gibraltar Stock Exchange (GSX Limited) pursuant to the listing and admission to trading rules of the Gibraltar Stock Exchange, to be listed on the Global Market of the Gibraltar Stock Exchange.

Listing

Applications have been made for the Series A Notes, the Warrants and the Certificates to be:

(i) admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market. As noted above, the Global Exchange Market is the exchange regulated market of Euronext Dublin and is not a regulated market for the purposes of MiFID II;

(ii) admitted to listing on the SIX Swiss Exchange and to trading on the main segment of the SIX Swiss Exchange;

(iii) admitted to the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's Euro MTF market; and

(iv) listed on the Global Market of the Gibraltar Stock Exchange,

in each case during the period from and including the date hereof up to but excluding 25 June 2021.

The applicable Pricing Supplement will specify where the Series A Notes will be listed.

The Series B Notes will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.

The applicable Pricing Supplement will specify whether and where the Warrants or the Certificates (as applicable) will be listed.

MIFID II product governance / target market

The Pricing Supplement in respect of any Program Securities may include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Program Securities and which channels for distribution of the Program Securities are appropriate. Any person subsequently offering, selling or recommending the Program Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Program Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any dealer subscribing for any Program Securities is a manufacturer in respect of such Program Securities, but otherwise neither the dealer(s) nor any of its respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Benchmarks Regulation

Interest and/or other amounts payable under the Program Securities may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the Pricing Supplement will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmarks Regulation. Transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Pricing Supplement. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Pricing Supplement to reflect any change in the registration status of the administrator.

Responsibility statements

Each of Responsible Persons accepts responsibility for the information contained in this Offering Circular and the Registration Document dated 13 December 2019 and to the best of the knowledge of the Responsible Persons (each having taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

"**Responsible Person**" means:

(i) Morgan Stanley with regard to (A) this Offering Circular which comprises this Offering Circular with the exception of: (i) Items 5 to 10 in the section entitled "*Incorporated by Reference*" set out at pages 53-62; (ii) the sections entitled "*Selected key financial information relating to MSI plc*", "*Selected key financial information relating to MSBV*" and "*Selected key financial information relating to MSFL*" contained in the Overview section set out on pages 2-3; and (iii) Items 1(b)-(d), 2(b)-(d), 3(c), 5(b)-(d), 7-9 and 10(b)-(c) in the section entitled "*General Information*" set out at pages 591-595; and (B) the Morgan Stanley registration document (the "**Morgan Stanley Registration Document**") which comprises the Registration Document with the exception of (i) Items 6 to 14 in the section entitled "*Information Incorporated by Reference*" set out at pages 21-31; and (ii) the sections entitled "*Description of Morgan Stanley & Co. International plc*" set out at pages 63-69; "*Description of Morgan Stanley B.V.*" set out at pages 70-72; and "*Description of Morgan Stanley Finance LLC*" set out at pages 73-75;

(ii) MSI plc in relation to (A) this Offering Circular which comprises this Offering Circular with the exception of: (i) Items 2 to 4 and 7 to 10 in the section entitled "*Incorporated by Reference*" set out at pages 53-62; (ii)

the sections entitled "*Selected key financial information relating to Morgan Stanley*", "*Selected key financial information relating to MSBV*" and "*Selected key financial information relating to MSFL*" contained in the Overview section set out on pages 2-3; and (iii) Items 1(a) and (c)-(d), 2(a) and (c)-(d), 3(a)-(b) and (c)(ii)-(iii), 5(a) and (c)-(d), 6, 8-9 and 10(a) and (c) in the section entitled "*General Information*" set out at pages 591-595; and (B) the MSI plc registration document (the "**MSI plc Registration Document**") which comprises the Registration Document with the exception of (i) Items 1 to 5 and 9 to 14 in the section entitled "*Information Incorporated by Reference*" set out at pages 21-31; and (ii) the sections entitled "*Description of Morgan Stanley*" set out at pages 32-62; "*Description of Morgan Stanley B.V.*" set out at pages 70-72; "*Description of Morgan Stanley Finance LLC*" set out at pages 73-75; and "*Subsidiaries of Morgan Stanley as of 31 December 2018*" set out at page 76;

(iii) MSBV with regard to (A) this Offering Circular which comprises this Offering Circular with the exception of: (i) Items 2 to 6 and 9 to 10 in the section entitled "*Incorporated by Reference*" set out at pages 53-62; (ii) the sections entitled "*Selected key financial information relating to Morgan Stanley*", "*Selected key financial information relating to MSI plc*" and "*Selected key financial information relating to MSFL*" contained in the Overview section set out on pages 2-3; and (iii) Items 1(a)-(b) and (d), 2(a)-(b) and (d), 3(a)-(b) and (c)(i) and (iii), 5(a)-(b) and (d), 6-7 and 9-10 in the section entitled "*General Information*" set out at pages 591-595; and (B) the MSBV registration document (the "**MSBV Registration Document**") which comprises the Registration Document with the exception of (i) Items 1 to 8 and 12 to 14 in the section entitled "*Information Incorporated by Reference*" set out at pages 21-31; and (ii) the sections entitled "*Description of Morgan Stanley*" set out at pages 32-62; "*Description of Morgan Stanley & Co. International plc*" set out at pages 63-69; "*Description of Morgan Stanley Finance LLC*" set out at pages 73-75; and "*Subsidiaries of Morgan Stanley as of 31 December 2018*" set out at page 76; and

(iv) MSFL with regard to with regard to (A) this Offering Circular which comprises this Offering Circular with the exception of: (i) Items 2 to 8 in the section entitled "*Incorporated by Reference*" set out at pages 53-62; (ii) the sections entitled "*Selected key financial information relating to Morgan Stanley*", "*Selected key financial information relating to MSI plc*" and "*Selected key financial information relating to MSBV*" contained in the Overview section set out on pages 2-3; and (iii) Items 1(a)-(c), 2(a)-(c), 3(a)-(b) and (c)(i)-(ii), 5(a)-(c), 6-8 and 10(a)-(b) in the section entitled "*General Information*" set out at pages 591-595; and (B) the MSFL registration document (the "**MSFL Registration Document**") which comprises the Registration Document with the exception of (i) Items 1 to 11 in the section entitled "*Information Incorporated by Reference*" set out at pages 21-31; and (ii) the sections entitled "*Description of Morgan Stanley*" set out at pages 32-62; "*Description of Morgan Stanley & Co. International plc*" set out at pages 63-69; "*Description of Morgan Stanley B.V.*" set out at pages 70-72; and "*Subsidiaries of Morgan Stanley as of 31 December 2018*" set out at page 76.

However, see "*No consent given or responsibility taken for any public offerings in the EEA or in the UK*" below.

Offering restrictions in the EEA and in the UK

This Offering Circular has been prepared on the basis that any offer of Program Securities in any Member State of the EEA or in the UK (each, a "**Relevant State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Program Securities. Accordingly, any person making or intending to make an offer in that Relevant State of Program Securities which are the subject of an offering contemplated in this Offering Circular as completed by a Pricing Supplement in relation to the offer of those Program Securities may only do so in circumstances in which no obligation arises for the relevant Issuer or MSI plc, which may act in whole or in part through an affiliate thereof, and Morgan Stanley & Co. LLC as distribution agents (the "**Distribution Agents**") to publish or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation in relation to such offer. None of the Issuers, the Guarantor or the Distribution Agents has authorised, nor do they authorise, the making of any offer of Program Securities in circumstances in which an obligation arises for the Issuer to publish a prospectus in the EEA, in the UK or in any other jurisdiction.

No consent given or responsibility taken for any public offerings in the EEA or in the UK

None of the Issuers, the Guarantor or the Distribution Agents consents to the use of this Offering Circular (or any supplement thereto or any Pricing Supplement) by any financial intermediary or any other person for the purpose of making a public offering of the Program Securities in the EEA or in the UK, and none of the Issuers, the Guarantor or the Distribution Agents accepts any responsibility for the content of this Offering

Circular to any person with respect to the making of a public offering of the Program Securities by any financial intermediary or other person or for the actions of such financial intermediary or other person making such offer. The Issuers, the Guarantor and the Distribution Agents agree and acknowledge that this Offering Circular may only be used for the purposes for which it has been published, as described further herein.

Rating

Program Securities may or may not be rated. Any credit rating applied for in relation to a tranche of Program Securities will be specified in the applicable Pricing Supplement.

Program borrowing limit

The U.S. Dollar value, determined as of the respective issue dates, of the aggregate principal amount of Notes outstanding and the aggregate issue price of the Warrants and Certificates outstanding and any other notes, warrants and or certificates authorized for issuance pursuant to the Authorizing Resolutions (as defined below), shall not at any one time exceed U.S.$55,000,000,000. The Program Securities were authorised by Morgan Stanley pursuant to resolutions (the "**Authorizing Resolutions**") adopted at a meeting of the Board of Directors of Morgan Stanley held on 25 September 1998, as amended and updated pursuant to resolutions adopted at meetings of the Board of Directors of Morgan Stanley held on 17 June 2003, 14 December 2004, 20 September 2005, 12 December 2006, 19 June 2007, 17 September 2007 and 16 June 2008.

Governing law

The governing law of the Program Securities will be as follows:

(i) The Notes will be governed by either the laws of the State of New York ("**New York Law Notes**") or the laws of England and Wales ("**English Law Notes**"), as specified in the applicable Pricing Supplement. MSI plc, MSBV, MSFL and each Additional Issuer may issue English Law Notes, but shall not issue New York Law Notes.

(ii) The Warrants and Certificates will be governed by the laws of England and Wales. Morgan Stanley may issue Certificates only and MSI plc, MSBV and MSFL may issue both Warrants and Certificates.

Risk warning

The Program Securities may not be a suitable investment for all investors

An investment in the Program Securities entails certain risks, which vary depending on the specification and type or structure of the Program Securities.

Each potential investor should determine whether an investment in the Program Securities is appropriate in its particular circumstances. An investment in the Program Securities requires a thorough understanding of the nature of the relevant transaction. Potential investors should be experienced with respect to an investment in the Program Securities and be aware of the related risks.

An investment in the Program Securities is only suitable for potential investors who:

(i) have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Program Securities and the information contained or incorporated by reference into this document;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Program Securities will have on their overall investment portfolio;

(iii) understand thoroughly the terms of the Program Securities and are familiar with the behaviour of the Relevant Underlying or Relevant Factor as applicable and financial markets;

(iv) are capable of bearing the economic risk of an investment in the Program Securities until the maturity date of the Notes or exercise date of the Warrants or Certificates;

(v) recognise that it may not be possible to dispose of the Program Securities for a substantial period of time, if at all before the maturity date in respect of the English Law Notes and/or the New York Notes or the specified expiration date in respect of the Warrants and Certificates; and

(vi) are familiar with the behaviour of the Relevant Underlying or Relevant Factor, as applicable and relevant financial markets and be able to evaluate (either alone or with the help of a financial and legal advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Program Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Program Securities unless it has the expertise (either alone or with a financial and legal advisor) to evaluate how the Program Securities will perform under changing conditions, the resulting effects on the value of the Program Securities and the impact this investment will have on the potential investor's overall investment portfolio. Each Issuer, and the Distribution Agents, disclaim any responsibility to advise prospective investors of any matters arising under the law of the country in which they reside that may affect the purchase of, or holding of, or the receipt of payments or deliveries on the Program Securities.

Secured Overnight Financing Rate

As further described under "*Risk Factors Relating to the Program Securities*" below, the interest rate on the Notes may be SOFR or may, in certain circumstances, be determined by reference to either Fallback Term SOFR or Fallback Compounded SOFR (each as defined in the Terms and Conditions of the Notes).

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 triparty 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

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Because SOFR is published by the New York Federal Reserve based on data received from other sources, the Issuer has no control over its determination, calculation or publication. See "Risk Factors Relating to the Program Securities" 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.

Investing in the Program Securities involves risks. See "Risk Factors relating to the Program Securities" beginning on page 10 of this Offering Circular.

Important U.S. notices

THE PROGRAM SECURITIES AND ANY GUARANTEE IN RESPECT THEREOF, AND THE SECURITIES TO BE DELIVERED ON EXERCISE OR REDEMPTION OF THE PROGRAM SECURITIES (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 OF THE UNITED STATES. NONE OF THE ISSUERS OR THE GUARANTOR ARE REGISTERED, OR WILL REGISTER, UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. TRADING IN THE PROGRAM SECURITIES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "CEA").

THE PROGRAM SECURITIES, ANY INTEREST THEREIN AND ANY GUARANTEE IN RESPECT THEREOF, AND THE SECURITIES TO BE DELIVERED ON EXERCISE OR REDEMPTION OF THE PROGRAM SECURITIES (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 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 "*NO OWNERSHIP BY U.S. PERSONS*".

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE RELEVANT ISSUER AND, WHERE APPLICABLE, THE GUARANTOR AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE PROGRAM SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF ANY PROGRAM SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

United States Withholding Tax

Payments in respect of a Program Security by Morgan Stanley or MSFL may be subject to U.S. withholding tax of 30 per cent. if the beneficial owner of the Program Security does not meet the criteria for being exempt from this withholding tax. These criteria include the requirement that the beneficial owner (or a financial institution holding the Program Security on behalf of the beneficial owner) comply

with certain tax identification and certification rules, generally by furnishing the appropriate U.S. Internal Revenue Service Form W-8BEN or W-8BEN-E on which the beneficial owner certifies under penalties of perjury (i) that it is not a U.S. person, (ii) in the case of an entity, that it is exempt from FATCA withholding, and (iii) in the case of certain Program Securities, that it is eligible for a certain exemption under an applicable tax treaty, as described below under "United States Federal Taxation". U.S. withholding may also apply with respect to certain Program Securities issues by any Issuer that are linked to U.S. equities or certain indices that include U.S. equities. If withholding is so required, unless specified otherwise in an applicable Pricing Supplement none of the Issuers or any intermediary will be required to pay any additional amounts with respect to the amounts so withheld.

Program Securities are not deposits and are not covered by any deposit protection scheme.

THE PROGRAM SECURITIES ARE NOT DEPOSITS OR SAVINGS ACCOUNTS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR DEPOSIT PROTECTION SCHEME ANYWHERE, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

No other person is authorised to give information on the Program Securities beyond what is in this Offering Circular and related Pricing Supplement

No person has been authorised by any of Morgan Stanley, MSI plc, MSBV or MSFL to give any information or to make any representation not contained or incorporated by reference in this Offering Circular, and, if given or made, that information or representation should not be relied upon as having been authorised by Morgan Stanley, MSI plc, MSBV or MSFL.

PRIIPs / IMPORTANT – EEA AND UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Program Securities includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Program Securities 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 EEA or 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 (11) of Article 4(1) of MiFID II, as amended;

(B) a customer within the meaning of Directive (EU) 2016/97, 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.

Consequently, if the Pricing Supplement in respect of any Program Securities includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", no key information document required by Regulation (EU) No 1286/2014, as amended (the "PRIIPs Regulation") for offering or selling the Program Securities or otherwise making them available to retail investors in the EEA or 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 EEA or in the UK may be unlawful under the PRIIPS Regulation.

The information in this Offering Circular (including any supplement) is subject to change.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Program Securities will, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial situation of any of Morgan Stanley, MSI plc, MSBV or MSFL since the date hereof or, as the case may be, the date upon which this Offering Circular has been most recently amended or supplemented or the balance sheet date of the most recent financial statements which have been incorporated into this Offering Circular by way of a supplement to this Offering Circular, or that any other information supplied from time to time is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Investors should review, inter alia, the most recent financial statements of Morgan Stanley, MSI plc, MSBV and/or MSFL (as applicable) when evaluating any Program Securities or an investment therein (such financial statements shall not form a part of this Offering Circular unless they have been expressly incorporated herein, including by way of a supplement to this Offering Circular).

Distribution

Each Issuer is offering the Program Securities on a continuing basis through the Distribution Agents, who have agreed to use reasonable efforts to solicit offers to purchase the Program Securities. Each Issuer may also sell Program Securities to the Distribution Agents as principal for their own accounts at a price to be agreed upon at the time of sale. The Distribution Agents may resell any Program Securities they purchase as principal at prevailing market prices, or at other prices, as they determine. Each Issuer or the Distribution Agents may reject any offer to purchase Program Securities, in whole or in part. See "*Subscription and Sale*" and "*No Ownership by U.S. Persons*" beginning on page 574 and 588, respectively.

Compliance with all applicable laws

Each investor must comply with all applicable laws and regulations in each country or jurisdiction in or from which the investor purchases, offers, sells or delivers the Program Securities or has in the investor's possession or distributes this Offering Circular or any accompanying Pricing Supplement.

General restriction on distribution of this Offering Circular

The distribution of this Offering Circular and the offering, sale and delivery of Program Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by Morgan Stanley, MSI plc, MSBV and MSFL to inform themselves about and to observe those restrictions.

No post-issuance information

Subject to the applicable Pricing Supplement, none of the Issuers, the Guarantor or the Distribution Agents intends to provide post-issuance information in respect of the Program Securities unless required to do so by applicable laws and regulations.

Read and construe with each supplement and document incorporated by reference

This Offering Circular does not constitute an offer of or an invitation to subscribe for or purchase any Program Securities and should not be considered as a recommendation by any of Morgan Stanley, MSI plc, MSBV or MSFL that any recipient of this Offering Circular should subscribe for or purchase any Program Securities. Each recipient of this Offering Circular will be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of Morgan Stanley, MSI plc, MSBV or MSFL (as applicable) and of the particular terms of any offered Program Securities.

General offer restriction

Neither this Offering Circular nor any Pricing Supplement may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which that offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

Important Swiss notice

The Program Securities do not qualify as units of a collective investment scheme according to the relevant provisions of the Swiss Federal Act on Collective Investments Scheme ("**CISA**"), as amended, and are not registered thereunder. Therefore, the Program Securities are neither governed by the CISA nor supervised by the Swiss Financial Market Supervisory Authority. Accordingly, investors do not have the benefit of the specific investor protection provided under the CISA.

Language

The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Defined terms

See "*Index of Defined Terms*" at the end of this document.

CNY Program Securities

In this Offering Circular, references to "**CNY Program Securities**" are to Program Securities denominated in CNY or Renminbi deliverable in Hong Kong, or such other CNY Center as specified in the applicable Pricing Supplement.

Stabilising legend

In connection with the issue of any tranche of Program Securities under the Program, any Distribution Agent or any other agent specified for that purpose in the applicable Pricing Supplement as the stabilising manager (or any person acting for the stabilising manager) may over allot or effect transactions with a view to supporting the market price of any of the Program Securities at a level higher than that which might otherwise prevail for a limited period. However, there is no assurance that the stabilising manager (or any agent of the stabilising manager) will undertake stabilising action. Any stabilising action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant tranche of Program Securities is made and, if commenced, may be discontinued at any time, but must be brought to an end no later than the earlier of 30 days after the issue date of the relevant tranche of Program Securities and 60 days after the date of the allotment of the relevant tranche of Program Securities. Any stabilising action or over allotment must be conducted by the stabilising manager (or any person acting for the stabilising manager) in accordance with all applicable laws and rules.

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OVERVIEW

This overview must be read as an introduction to the Offering Circular relating to the Program Securities. Any decision to invest in any Program Securities should be based on a consideration of the Offering Circular as a whole, including the documents incorporated by reference.

Words and expressions defined in the "*Terms and Conditions of the English Law Notes*" below or elsewhere in this Offering Circular have the same meanings in this overview.

THE ISSUERS AND THE GUARANTOR

Legal name and commercial name of the Issuers:	Morgan Stanley ("**Morgan Stanley**") Morgan Stanley & Co. International plc ("**MSI plc**") Morgan Stanley B.V. ("**MSBV**") Morgan Stanley Finance LLC ("**MSFL**")
Domicile and legal form of the Issuers, the legislation under which the Issuers operate and its country of incorporation:	Morgan Stanley was incorporated under the laws of the State of Delaware. As a financial holding company, it is regulated by the Board of Governors of the Federal Reserve System (the "**Federal Reserve**") under the Bank Holding Company Act of 1956, as amended (the "**BHC Act**"). As a major financial services firm, Morgan Stanley is subject to extensive regulation by U.S. federal and state regulatory agencies and securities exchanges and by regulators and exchanges in each of the major markets where it conducts its business. Morgan Stanley has its registered office at The Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, U.S.A., and its principal executive office at 1585 Broadway, New York, NY 10036, U.S.A. MSI plc was incorporated in England and Wales on 28 October 1986. MSI plc was incorporated as a company limited by shares under the Companies Act 1985 and operates under the UK Companies Act 2006. MSI plc was re-registered as a public limited company on 13 April 2007. MSI plc's registered office is at 25 Cabot Square, Canary Wharf, London E14 4QA. MSBV was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands on 6 September 2001 for an unlimited duration. MSBV is registered at the commercial register of the Chamber of Commerce (*Kamer van Koophandel*). It has its corporate seat at Amsterdam, The Netherlands and its offices are located at Luna Arena, Herikerbergweg 238, 1101 CM, Amsterdam, Zuidoost, The Netherlands. MSBV is incorporated under, and subject to, the laws of The Netherlands. MSFL is a wholly-owned finance subsidiary of Morgan Stanley and a limited liability company formed pursuant to the Delaware Limited Liability Company Act on 27 March 2002 for an unlimited duration under the name of Morgan Stanley Tower LLC. On 8 January 2016 Morgan Stanley Tower LLC changed its name to Morgan Stanley Finance, LLC. On 12 January 2016 Morgan Stanley Finance, LLC changed its name to Morgan Stanley Finance LLC. MSFL'S registered address is at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801. MSFL's principal place of business is 1585 Broadway, New York, NY 10036. MSFL is formed under, and subject to, the laws of the state of Delaware, United States.
The group and the Issuers' position within the group:	Morgan Stanley is the ultimate parent undertaking of the group comprising Morgan Stanley and its consolidated subsidiaries (the "**Morgan Stanley Group**"). MSI plc forms part of a group of companies including MSI plc and all of its subsidiary and associated undertakings ("**MSI plc Group**"). MSI plc's

ultimate UK parent undertaking is Morgan Stanley International Limited and MSI plc's ultimate parent and controlling entity is Morgan Stanley.

MSBV has no subsidiaries. It is ultimately controlled by Morgan Stanley.

MSFL has no subsidiaries. It is a wholly-owned finance subsidiary of Morgan Stanley.

Selected Historical Key Financial Information:

Selected key financial information relating to Morgan Stanley:

Consolidated Statement of Financial Position (U.S.$ *in millions*)	**At 31 December 2018**	**At 31 December 2019**	**At 31 March (unaudited)**	
			2019	**2020**
Total assets	853,531	895,429	875,964	947,795
Total liabilities and equity	853,531	895,429	875,964	947,795
Consolidated Income Statements *(U.S.$ in millions)*	**2018**	**2019**	**Three months ended 31 March (unaudited)**	
			2019	**2020**
Net revenues	40,107	41,419	10,286	9,487
Income from continuing operations before income taxes	11,237	11,301	2,955	2,146
Net income	8,883	9,237	2,468	1,780

Selected key financial information relating to MSI plc:

Consolidated Statement of Financial Position (*in U.S. $ millions*)	**31 Dec 2018**	**31 Dec 2019**
Total assets	446,199	502,508
Total liabilities and equity	446,199	502,508

Consolidated Income Statement *(in U.S. $ millions)*	**31 Dec 2018 (restated)**	**31 Dec 2019**
Net trading income	4,825	5,150
Profit (loss) before tax	1,056	760
Profit (loss) for the year/period	729	549

Selected key financial information relating to MSBV:

Statement of financial position (*in EUR '000*)	**31 Dec 2018**	**31 Dec 2019**
Total assets	9,494,539	9,056,866
Total liabilities and equity	9,494,539	9,056,866

Statement of comprehensive income *(in EUR '000)*	**31 Dec 2018**	**31 Dec 2019**
Net trading (expense)/income	(618,323)	882,658
Net income/(expense) on other financial instruments held at fair value	618,323	(882,658)
Profit before income tax	1,190	1,013
Profit and total comprehensive income for the year/period	900	765

Selected key financial information relating to MSFL:

Statement of Financial Position (*in U.S. $*)	**31 Dec 2018**	**31 Dec 2019**
Net income	2,000,000	-
Total assets	13,848,000,000	19,995,000,000
Total liabilities	13,716,000,000	20,221,000,000

The Issuers' principal activities:

Morgan Stanley, a financial holding company, is a global financial services firm that, through its subsidiaries and affiliates, advises, originates, trades, manages and distributes capital for, governments, institutions and individuals. Morgan Stanley maintains significant market positions in each of its business segments – Institutional Securities, Wealth Management and Investment Management.

The principal activity of the MSI plc Group is the provision of financial services to corporations, governments and financial institutions. MSI plc operates globally. It operates branches in the Dubai International Financial Centre, South Korea, the Netherlands, Poland, the Qatar Financial Centre and Switzerland.

MSBV's principal activity is the issuance of financial instruments and the hedging of obligations arising pursuant to such issuances.

MSFL's principal activity is the issuance of securities.

The Group:	MSI plc is wholly and directly owned by Morgan Stanley Investments UK and is ultimately controlled by Morgan Stanley. MSBV is ultimately controlled by Morgan Stanley. MSFL has no subsidiaries. It is a wholly-owned finance subsidiary of Morgan Stanley.

Risks

The following is a summary only and must be read in conjunction with the section entitled "*Risk Factors*" of the Registration Document dated 13 December 2019 (which is incorporated by reference into this Offering Circular).

Key Risks Specific to the Issuers and the Guarantor:	The following key risks affect Morgan Stanley and, since Morgan Stanley is the ultimate holding company of MSI plc, MSBV and MSFL, also impact MSI plc, MSBV and MSFL: ***Market Risk***: Morgan Stanley's results of operations may be materially affected by market fluctuations and by global and economic conditions and other factors, including changes in asset values. Holding large and concentrated positions may expose Morgan Stanley to losses. These factors may result in losses for a position or portfolio owned by Morgan Stanley. Morgan Stanley's results of operations have been, and will likely continue to be, adversely affected by the COVID-19 pandemic. ***Credit Risk:*** Morgan Stanley is exposed to the risk that third parties that are indebted to it will not perform their obligations, as well as that a default by a large financial institution could adversely affect financial markets. Such factors give rise to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations to Morgan Stanley. ***Operational Risk***: Morgan Stanley is subject to the risk of loss, or of damage to its reputation, resulting from inadequate or failed processes or systems, from human factors (including human error or malfeasance) or from external events (e.g. fraud, theft, legal and compliance risks, cyber attacks or damage to physical assets). Morgan Stanley may incur operational risk across the full scope of its business activities, including revenue-generating activities (e.g. sales and trading) and support and control groups (e.g. information technology and trade processing). A cyber attack, information or security breach or a technology failure could adversely affect Morgan Stanley's ability to conduct its business, manage its exposure to risk or result in disclosure or misuse of confidential or proprietary information and otherwise adversely impact its results of operations, liquidity and financial condition, as well as cause reputational harm. ***Liquidity Risk***: Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations. Morgan Stanley's borrowing costs and access to the debt capital markets depend on its credit ratings. Morgan Stanley is a holding company, has no operations and depends on dividends, distributions and other payments from its subsidiaries. Further, Morgan Stanley's liquidity and financial condition have in the past been, and in the future could be, adversely affected by U.S. and international markets and economic conditions. As a result of the foregoing, there is a risk that Morgan Stanley will be unable to finance its operations due to a loss of access to the capital markets or difficulty in liquidating its assets. Additionally, liquidity risk encompasses Morgan Stanley's ability (or perceived ability) to meet its financial obligations without experiencing significant business disruption or reputational damage that may threaten its viability as a going concern. Morgan Stanley also experiences associated funding risks triggered by the market or idiosyncratic stress events

that may negatively affect its liquidity or may impact its ability to raise new funding.

Legal, Regulatory and Compliance Risk: Morgan Stanley is subject to the risk of legal or regulatory sanctions, material financial loss including fines, penalties, judgments, damages and/or settlements, or loss to reputation it may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards and codes of conduct applicable to its business activities. Morgan Stanley is also subject to contractual and commercial risk, such as the risk that a counterparty's performance obligations will be unenforceable. Additionally, Morgan Stanley is subject to anti-money laundering, anti-corruption and terrorist financing rules and regulations.

Risk Management: Morgan Stanley's risk management strategies, models and processes may not be fully effective in mitigating its risk exposures in all market environments or against all types of risk, which could result in unexpected losses. The planned replacement of London Interbank Offered Rate and replacement or reform of other interest rate benchmarks could adversely affect Morgan Stanley's business, financial condition and results of operations.

Competitive Environment: Morgan Stanley faces strong competition from financial services firms and others, which could lead to pricing pressures that could materially adversely affect its revenue and profitability. Further, automated trading markets and the introduction and application of new technologies may adversely affect Morgan Stanley's business and may increase competition (for example, by putting increased pressure on bid-offer spreads, commissions, markups or fees). Finally, Morgan Stanley's ability to retain and attract qualified employees is critical to the success of its business and the failure to do so may materially adversely affect its performance.

International Risk: Morgan Stanley is subject to numerous political, economic, legal, tax, operational, franchise and other risks as a result of its international operations (including risks of possible nationalization, expropriation, price controls, capital controls, exchange controls, increased taxes and levies and other restrictive governmental actions, as well as the outbreak of hostilities or political and governmental instability) which could adversely impact its businesses in many ways. The UK's withdrawal from the E.U. could adversely affect Morgan Stanley.

Acquisition, Divestiture and Joint Venture Risk: Morgan Stanley may be unable to fully capture the expected value from acquisitions, divestitures, joint ventures, minority stakes or strategic alliances.

Risk Relating to the Exercise of Resolution Measures Powers: The application of regulatory requirements and strategies in the U.S. or other jurisdictions to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for Morgan Stanley's security holders, and subject Morgan Stanley to other restrictions.

All material assets of MSBV are obligations of (or securities issued by) one or more Morgan Stanley Group companies. If any of these Morgan Stanley Group companies incurs losses with respect to any of its activities (irrespective of whether those activities relate to MSBV or not) the ability of such company to fulfil its obligations to MSBV could be impaired, thereby exposing holders of securities issued by MSBV to a risk of loss

MSFL has no independent operations beyond the issuance and administration of its securities and is expected to have no independent assets available for distributions to holders of MSFL Program Securities if they make claims in respect of the Program Securities in a bankruptcy, resolution or similar

proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related Guarantee by Morgan Stanley and that Guarantee will rank pari passu with all other outstanding unsecured and unsubordinated obligations of Morgan Stanley present and future, but, in the event of insolvency, only to the extent permitted by laws affecting creditors' rights. Holders will have recourse only to a single claim against Morgan Stanley and its assets under the Guarantee. Holders of Program Securities issued by MSFL should accordingly assume that in any such proceedings they would not have any priority over and should be treated pari passu with the claims of other unsecured, unsubordinated creditors of Morgan Stanley, including holders of Morgan Stanley issued securities.

The existence of substantial inter-relationships (including the provision of funding, capital, services and logistical support to or by MSI plc, as well as common or shared business or operational platforms or systems, including employees) between MSI plc and other Morgan Stanley Group companies exposes MSI plc to the risk that, factors which could affect the business and condition of Morgan Stanley or other companies in the Morgan Stanley Group may also affect the business and condition of MSI plc. Further, Notes issued by MSI plc will not be guaranteed by Morgan Stanley. The application of regulatory requirements and strategies in the United Kingdom to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for the holders of securities issued by MSI plc.

PROGRAM SECURITIES

Type: MSI plc, MSBV and MSFL may offer from time to time Program Securities in the form of Notes, Warrants and Certificates. Morgan Stanley may offer from time to time Program Securities in the form of Notes and Certificates only.

Listing: Applications have been made for Program Securities (other than Series B Notes which will not be listed) to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market; to be admitted to listing on the SIX Swiss Exchange and to trading on the main segment of the SIX Swiss Exchange; to be admitted to the Official List of the Luxembourg Stock Exchange and trading on its Euro MTF Market; and to be listed on the Global Market of the Gibraltar Stock Exchange. Program Securities may also be unlisted or listed on another exchange, all as specified in the applicable Pricing Supplement.

No registration: The Program Securities and any Guarantee in respect thereof, and the securities to be delivered on exercise or redemption of the Program Securities (if any), have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged, assigned, delivered or otherwise transferred, exercised or redeemed in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S). 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. The Program Securities are subject to transfer restrictions. See "*Subscription and Sale*" and "*No Ownership by U.S. Persons*".

Structural subordination; Morgan Stanley's access to assets held by subsidiaries may be restricted: The securities issued by Morgan Stanley, including the guarantees of the MSBV and MSFL Program Securities, are Morgan Stanley's unsecured senior obligations, but Morgan Stanley's assets consist primarily of equity in, and receivables from, its subsidiaries. As a result, Morgan Stanley's ability (i) to make payments on its Notes and Certificates, (ii) to make payments with respect to its guarantee of Program Securities issued by MSBV and MSFL and (iii) to pay dividends on its preferred stock and common stock, in each case depends upon its receipt of dividends, loan payments and other funds from its subsidiaries. In addition, the direct creditors of any subsidiary will have a prior claim on the subsidiary's assets, if any, and Morgan Stanley's rights and the rights of its creditors, including your rights as an owner of Morgan Stanley's Notes and Certificates or your rights under its guarantees of MSBV and MSFL Program Securities, will be subject to that prior claim, except to the extent that any claims Morgan Stanley may have as a creditor of that subsidiary are paid. This subordination of parent company creditors to prior claims of creditors of subsidiaries over the subsidiaries' assets is referred to as structural subordination.

In addition, various statutes and regulations restrict some of Morgan Stanley's subsidiaries from paying dividends or making loans or advances to Morgan Stanley. These restrictions could prevent those subsidiaries from paying the cash to Morgan Stanley that it needs in order to pay you. These restrictions include:

- the net capital requirements under the Exchange Act, and the rules of some exchanges and other regulatory bodies, which apply to some of Morgan Stanley's principal subsidiaries, such as Morgan Stanley & Co. LLC and MSI plc, and

- banking regulations, which apply to Morgan Stanley Bank, N.A., a national bank, Morgan Stanley Private Bank, National Association (formerly Morgan Stanley Trust FSB), a national bank, and other bank subsidiaries of Morgan Stanley.

Total loss-absorbing capacity of New York Law Notes: Morgan Stanley intends that the New York Law Notes will, when issued, constitute "loss-absorbing capacity" within the meaning of the final rules issued by the Board of Governors of the Federal Reserve System and, accordingly, will have only those provisions described in this Offering Circular that will permit compliance thereof at such time of issuance. In this respect, Morgan Stanley is a parent holding company and has no operations and depends on dividends, distributions and other payments from its subsidiaries to fund its debt obligations (including New York Law Notes). Under a support agreement that Morgan Stanley has entered with its material subsidiaries, upon the occurrence of a resolution scenario, including a single-point-of-entry resolution strategy as contemplated in its resolution plan, Morgan Stanley would be obligated to contribute or loan on a subordinated basis all of its material assets, other than shares in its subsidiaries and certain intercompany payables, to provide capital and liquidity, as applicable, to its material subsidiaries. That obligation will be secured, in accordance with an amended and restated secured support agreement, on a senior basis by Morgan Stanley's assets (other than shares in its subsidiaries). As a result, claims of Morgan Stanley's material subsidiaries against its assets (other than shares in its subsidiaries) will be effectively senior to its unsecured obligations, including New York Notes which would be at risk of absorbing Morgan Stanley's and its subsidiaries' losses.

Status of the MSI plc Program Securities; relationship with Morgan Stanley securities: The Program Securities issued by MSI plc are its unsecured obligations and holders of these Program Securities are direct creditors of MSI plc.

Status of the MSBV Program Securities; relationship with Morgan Stanley securities: The Program Securities issued by MSBV are its unsecured obligations and holders of these Program Securities are direct creditors of MSBV, as well as direct creditors of Morgan Stanley under the related guarantee. That Morgan Stanley guarantee will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of Morgan Stanley, present and future, but, in the event of insolvency, only to the extent permitted by laws affecting creditors' rights.

Status of the MSFL Program Securities; relationship with Morgan Stanley securities: The Program Securities issued by MSFL are its unsecured obligations and holders of these Program Securities are direct creditors of MSFL, as well as direct creditors of Morgan Stanley under the related guarantee. As a finance subsidiary, MSFL has no independent operations beyond the issuance and administration of its securities and is expected to have no independent assets available for distributions to holders of MSFL Program Securities if they make claims in respect of the securities in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related guarantee by Morgan Stanley and that guarantee will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of Morgan Stanley, present and future, but, in the event of insolvency, only to the extent permitted by laws affecting creditors' rights. Holders of Program Securities issued by MSFL should accordingly assume that in any such proceedings they would not have any priority over and should be treated *pari passu* with the claims of other unsecured, unsubordinated creditors of Morgan Stanley, including holders of Morgan Stanley-issued securities. Holders of the Program Securities issued by MSFL should therefore be aware that in any such proceedings a holder's recoveries in respect of its claims under the Guarantee may be less than if it has such priority.

Guarantee: Payment of all amounts due in respect of Program Securities issued by MSBV will, unless specified otherwise in the applicable Pricing Supplement, be guaranteed by Morgan Stanley. Payment of all amounts in respect of Program Securities issued by MSFL will be guaranteed by Morgan Stanley. Payment of all amounts due in respect of Program Securities issued by MSI plc will <u>not</u> be guaranteed by Morgan Stanley, or by any other guarantor.

Distribution: Each Issuer is offering Program Securities on a continuing basis through the Distribution Agents, who have agreed to use reasonable efforts to solicit offers to purchase the same. Each Issuer may also sell Program Securities to the Distribution Agents as principal for their own accounts at prices agreed upon at the time of sale. The Distribution Agents may resell Program Securities purchased as principal. Each Issuer or the Distribution Agents may reject any offer to purchase Program Securities.

Form: Each Issuer may issue Program Securities in registered form. Program Securities in registered form may be in either global registered form or individual registered form. MSBV and MSI plc may also issue Nordic Notes or Nordic Securities in dematerialised form.

U.S. withholding requirement: In order to avoid certain U.S. withholding taxes on payments by Morgan Stanley and MSFL on a Program Security, a beneficial owner is required to comply with certain tax identification and certification rules generally by furnishing the appropriate IRS Form W-8BEN or W-8BEN-E certifying (i) that it is not a U.S. person, (ii) in the case of an entity, that it is exempt from FATCA withholding, and (iii) in the case of certain Program Securities, that it is eligible for a certain exemption under an applicable tax treaty as described below under "*United States Federal Taxation*". U.S. withholding may also apply with respect to certain Program Securities linked to U.S. equities or certain indices. Unless specified otherwise in an applicable Pricing Supplement, none of the Issuers or any intermediary will be required to pay additional amounts with respect to any amount withheld.

Denomination of Notes: Notes may be denominated or payable in any currency, be issued at any price and have any maturity, in each case subject to all applicable consents being obtained and compliance with applicable legal and regulatory requirements.

Redemption of Notes: Notes may be redeemed at par or at such other redemption amount (detailed in a formula or otherwise) or by delivery of securities of an issuer not affiliated with Morgan Stanley, as specified in the applicable Pricing Supplement.

Early redemption: Early redemption will be permitted for taxation reasons, or in certain circumstances following the occurrence of an Administrator/Benchmark Event or relevant adjustment events applicable to the Program Securities, but will otherwise be permitted only to the extent specified in the applicable Pricing Supplement or as may be required in the event of a default by the Issuer. In the case of certain Notes, if such Notes are redeemed early for any reason, the amount payable by the Issuer may be less than the amount that would have been paid had the Notes been redeemed at maturity. In the event of default by the Issuer, the investor would have an unsecured claim against the Issuer or, if applicable, the Guarantor.

Interest on Notes: Notes may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate, or a rate which varies during the lifetime of the relevant Series.

Exercise of Warrants and Certificates: Upon exercise, Warrants and Certificates may entitle the holder to receive from the relevant Issuer a Cash Settlement Amount, or may entitle the holder to receive delivery of or to deliver an amount of securities (each as specified or calculated in accordance with the applicable Pricing Supplement), and may be American, European or Bermudan Style Securities, as specified in the applicable Pricing Supplement.

Governing law: Notes may be governed by New York law or English law, as specified in the applicable Pricing Supplement. Warrants and Certificates will be governed by English law.

Use of proceeds: The net proceeds from the sale of Program Securities by Morgan Stanley, MSI plc or MSBV will be used by the relevant Issuer for general corporate purposes, in connection with hedging its obligations under the Program Securities, or both.

Unless specified otherwise in the applicable Pricing Supplement, MSFL intends to lend the net proceeds from the sale of the Program Securities it offers to Morgan Stanley. Unless specified otherwise in the applicable Pricing Supplement, Morgan Stanley intends to use the proceeds from such loans for general corporate purposes.

Debt or derivative securities: Program Securities may not be ordinary debt securities and the return and/or interest and/or principal may be linked to the performance of, amongst other things, one or more of an index or formula, changes in the prices of securities, funds, exchange-traded notes, commodities or futures contracts, movements in currency exchange rates and to the credit of one or more entities not affiliated with the Issuers (such items are referred to in this Offering Circular in relation to Notes as the "**Relevant**

Underlying" and in relation to Certificates and Warrants, as the "**Relevant Factor**"). The return on such Program Securities may be influenced by unpredictable factors, including the value of the underlying or factor which may in turn be linked to the creditworthiness of an underlying entity, market prices of underlying, market volatility, interest rates, currency exchange rates, inflation, the length of time until maturity and other economic, financial, environmental, legal, regulatory, social and political influences which may not be within the Issuers' control. Where Program Securities are linked to emerging market countries or currencies, the impact of the factors outlined previously are magnified. **These factors may cause a partial or total loss of an investor's investment in Program Securities and may involve the investor receiving a return that they might not have anticipated when purchasing Program Securities**.

Credit risk: An investment in the Program Securities bears the risk that the relevant Issuer is not able to fulfil its obligations in respect of such Program Securities.

No rights in the underlying: Investment in Program Securities may carry similar risks to a direct investment in the Relevant Underlying or Relevant Factor; however investors will not have legal or beneficial ownership in such underlying.

Illiquid secondary market: Investment in Program Securities may be illiquid and investors should be prepared to hold Program Securities to maturity or expiration as there may be no secondary market therefor.

Conflicts of interest: Investors should be aware of potential conflicts of interest with the Determination Agent. For further information, see "*Conflicts of Interest*" beginning on page 50.

Stamp duty and tax generally: There may be stamp duty implications for investors in the Warrants or Certificates. Investors should seek professional tax advice in relation to the tax implications to them of an investment in Program Securities.

Consult professional advisors: Prospective investors should consult with their own professional advisors if they consider it necessary before purchasing any Program Securities.

Where to obtain documents: Certain documents relating to the Program Securities will be available at The Bank of New York Mellon, One Canada Square, London E14 5AL and also at the principal executive offices of Morgan Stanley and MSFL and the registered offices of MSIP and MSBV.

RISK FACTORS RELATING TO THE PROGRAM SECURITIES

Prospective investors should read the entire Offering Circular (and where appropriate, any applicable Pricing Supplement). Words and expressions defined elsewhere in this Offering Circular have the same meanings in this section.

Prospective investors should consider the section entitled "*Risk Factors*" at pages 3 to 20 in the Registration Document dated 13 December 2019, in respect of Morgan Stanley, MSI plc, MSBV and MSFL referred to in the section entitled "*Incorporation by Reference*" in this Offering Circular and the factors described below and consult with their own professional advisors if they consider it necessary. Prospective investors should note that the risks described below are not the only risks the Issuers and/or the Guarantor face. Each of the Issuers and the Guarantor believe that such factors represent the principal risks inherent in investing in Program Securities issued under the Program but the inability of an Issuer and/or the Guarantor, if applicable, to pay interest, principal or other amounts on or in connection with any Program Securities may occur for other reasons, which may not be considered significant risks by such Issuer based on information currently available to it or which it may not currently be able to anticipate.

This section describes generally the most significant risks of investing in Program Securities linked to securities, indices or funds, to futures contracts, to commodity prices, to currency prices, to the credit of one or more entities not affiliated with the Issuers or to other assets. Each investor should carefully consider whether the Program Securities, as described herein and in the applicable Pricing Supplement, are suited to its particular circumstances before deciding to purchase any Program Securities.

Risk Factors relating to the Issuers and Guarantor

Credit risk

Holders of Program Securities issued by Morgan Stanley or MSI plc bear the credit risk of the relevant Issuer, that is the risk that the relevant Issuer is not able to meet its obligations under such Program Securities, irrespective of whether such Program Securities are referred to as capital or principal protected or how any principal, interest or other payments under such Program Securities are to be calculated. Holders of Program Securities issued by MSBV or MSFL bear the credit risk of the relevant Issuer and/or the Guarantor, that is the risk that the relevant Issuer and/or the Guarantor is not able to meet its obligations under such Program Securities, irrespective of whether such Program Securities are referred to as capital or principal protected or how any principal, interest or other payments under such Program Securities are to be calculated. If the Issuer and/or the Guarantor is not able to meet its obligations under the Program Securities, then that would have a significant negative impact on the investor's return on the Program Securities and an investor may lose up to its entire investment.

The Issuer or the Guarantor may be substituted without the consent of the holders of Program Securities

The Issuer or the Guarantor (as applicable) may, without the consent of the holders of Program Securities and provided certain conditions are satisfied, agree (i) to substitute Morgan Stanley (in the case of MSBV Program Securities, MSFL Program Securities, MSI plc Program Securities only) or a subsidiary of Morgan Stanley in place of the Issuer, or (ii) substitute a non-Morgan Stanley Group entity in place of the Issuer or the Guarantor (if applicable) (provided that such non-Morgan Stanley Group entity is of at least the equivalent creditworthiness to the Issuer or Guarantor, as applicable, and provided further, in the case of Notes, that Condition 40.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*) is specified as applicable in the relevant Pricing Supplement). Any such substitution may result in a reduction in the value of the Program Securities.

As a finance subsidiary, MSFL has no independent operations and is expected to have no independent assets

The principal risks with respect to Morgan Stanley described in the Registration Document will also represent the principal risks with respect to MSFL, either as an individual entity or as part of the Morgan Stanley Group.

MSFL has no independent operations beyond the issuance and administration of its securities and is expected to have no independent assets available for distributions to holders of MSFL Program Securities if they make claims in respect of the MSFL Program Securities in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related

Guarantee by Morgan Stanley and that Guarantee will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of Morgan Stanley present and future, but, in the event of insolvency, only to the extent permitted by laws affecting creditors' rights. Holders will have recourse only to a single claim against Morgan Stanley and its assets under the Guarantee. Holders of MSFL Program Securities should accordingly assume that in any such proceedings they would not have any priority over and should be treated *pari passu* with the claims of other unsecured, unsubordinated creditors of Morgan Stanley, including holders of Morgan Stanley-issued securities. Holders of the MSFL Program Securities should therefore be aware that in any such proceedings a holder's recoveries in respect of its claims under the Guarantee may be less than if it had such priority.

Risks in relation to the exercise of potential resolution powers

MSI plc, as an investment firm for the purposes of the Banking Act 2009 (the "**Banking Act**"), is subject to provisions of that Act which give wide powers in respect of UK banks and investment firms (such as MSI plc) to HM Treasury, the Bank of England, the Prudential Regulation Authority and the United Kingdom Financial Conduct Authority ("**FCA**") (each a "**relevant UK Regulatory Authority**") in circumstances where the relevant UK bank or investment firm (a "**relevant financial institution**") is failing or is likely to fail. The Banking Act implements the provisions of Directive 2014/59/EU (the "**Bank Recovery and Resolution Directive**" or "**BRRD**").

These powers include powers to: (a) transfer all or some of the liability in respect of the securities issued by a relevant financial institution, or all or some of the property, rights and liabilities of a relevant financial institution (which could include instruments issued by MSI plc), to a commercial purchaser or, in the case of securities, to HM Treasury or an HM Treasury nominee, or, in the case of property, rights or liabilities, to an entity owned by the Bank of England; (b) override any default provisions in contracts or other agreements, including provisions that would otherwise allow a party to terminate a contract or accelerate the payment of an obligation; (c) commence certain insolvency procedures in relation to a relevant financial institution; and (d) override, vary or impose contractual obligations, for reasonable consideration, between a relevant financial institution and its parent, in order to enable any transferee or successor of the relevant financial institution to operate effectively. The Banking Act also gives power to HM Treasury to make further amendments to the law for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

By reason of its group relationship with certain other Morgan Stanley Group companies (including companies incorporated outside the UK) which are banks, investment firms, EU institutions or third–country institutions for the purposes of the Banking Act, MSI plc is a banking group company within the meaning of the Banking Act. Accordingly, the relevant UK Regulatory Authority can exercise substantially similar special resolution powers in respect of MSI plc in its capacity as a banking group company where the Prudential Regulation Authority, an EU resolution authority or third country authority having jurisdiction over the relevant Morgan Stanley Group company is satisfied that such Morgan Stanley Group company meets the relevant conditions for resolution action (including that it is failing or likely to fail, that it is not reasonably likely that other measures would prevent its failure, and that it is in the public interest to exercise those powers) or that it satisfies an equivalent test in the relevant jurisdiction (irrespective of whether at that time MSI plc is failing or likely to fail). Additionally, where a relevant third country Morgan Stanley Group company becomes subject to resolution or similar measures, the relevant UK Regulatory Authority may recognise the application of some of those measures to MSI plc (irrespective of whether at that time MSI plc is failing or likely to fail).

The powers granted to the relevant UK Regulatory Authority include (but are not limited to) a "bail-in" power.

The "bail-in" power gives the relevant UK Regulatory Authority the power, in relation to a failing relevant financial institution or a banking group company in respect of a bank, investment firm, EU institution or third-country institution (whether or not incorporated in the UK) which is failing or likely to fail, to cancel all or a portion of certain of its unsecured liabilities and/or to convert certain of its liabilities into another security, including ordinary shares of the surviving entity, if any. Under the Banking Act, such power could be utilised in relation to MSI plc were it to be failing or likely to fail, or were a bank, investment firm, EU institution or third-country institution (whether or not incorporated in the UK) in respect of which MSI plc is a banking group company to be failing or likely to fail. Were such power to be utilised in relation to MSI plc, it could be utilised in relation to securities issued by MSI plc.

The Banking Act requires the relevant UK Regulatory Authority to apply the "bail-in" power in accordance with a specified preference order which differs from the ordinary insolvency order. In particular, the relevant UK Regulatory Authority must write-down or convert debts in the following order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) eligible senior claims.

Although the exercise of the bail-in power under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of MSI plc or not directly related to MSI plc) which the relevant UK Regulatory Authority would consider in deciding whether to exercise such power with respect to MSI plc and its securities or other liabilities. Moreover, as the relevant UK Regulatory Authority may have considerable discretion in relation to how and when it may exercise such power, holders of securities issued by MSI plc may not be able to refer to publicly available criteria in order to anticipate a potential exercise of such power and consequently its potential effect on MSI plc and securities issued by MSI plc.

As well as a "bail-in" power, the powers of the relevant UK Regulatory Authority under the Banking Act include broad powers to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge institution" (an entity created for such purpose that is wholly or partially in public control) and (iii) separate assets by transferring impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only). The Bank of England has broad powers to make one or more share transfer instruments (in the case of a transfer to a private sector purchaser described in (i) or a transfer to a "bridge institution" in the case of (ii)) or one or more property transfer instruments (in all three cases). A transfer pursuant to a share transfer instrument or a property transfer instrument will take effect despite any restriction arising by virtue of contract or legislation or in any other way.

In addition, the Banking Act gives the relevant UK Regulatory Authority power to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments and/or discontinue the listing and admission to trading of debt instruments.

The Banking Act provides that HM Treasury must, in making regulations about compensation arrangements in the case of the exercise of a bail-in power, have regard to the "no creditor worse off" principle, and HM Treasury has made regulations governing compensation arrangements upon the exercise of a bail-in power. Notwithstanding the foregoing, the exercise by the relevant UK Regulatory Authority of any of the above powers under the Banking Act (including especially the bail-in power) could lead to the holders of securities issued by MSI plc losing some or all of their investment. Moreover, trading behaviour in relation to the securities issued by MSI plc, including market prices and volatility, may be affected by the use or any suggestion of the use of these powers and accordingly, in such circumstances, such securities are not necessarily expected to follow the trading behaviour associated with other types of securities. There can be no assurance that the taking of any actions under the Banking Act by the relevant UK Regulatory Authority or the manner in which its powers under the Banking Act are exercised will not materially adversely affect the rights of holders of securities issued by MSI plc, the market value of an investment in such securities and/or MSI plc's ability to satisfy its obligations under such securities.

U.S. Special Resolution Regime

In the event that MSFL, MSBV, MSI plc or Morgan Stanley becomes subject to any proceedings under the Federal Deposit Insurance Act or Title II of the Dodd Frank Wall Street Reform and Consumer Protection Act (together the "**U.S. Special Resolution Regime**"), the relevant regulators have various tools to deal with the entity. The U.S. requirements for the orderly resolution of MSFL, MSBV, MSI plc or Morgan Stanley could require MSFL, MSBV, MSI plc or Morgan Stanley to reorganise its business. This may involve transfer of Program Securities issued or guaranteed by MSFL, MSBV, MSI plc or Morgan Stanley to another entity or vary the default provisions of such Program Securities. Prospective investors should therefore consider the relevant Risk Factors contained in the Registration Document dated 13 December 2019 (as supplemented) for further information on the resolution regime.

In particular and in respect of any Program Securities which are Warrants (and the Securities Agency Agreement under which such Warrants are to be issued), such Warrants may be subject to specific provisions

of the U.S. Special Resolution Regime which may involve the transfer of the obligations of the issuer and guarantor in respect of Warrants, the Securities Agency Agreement and the Guarantee under the terms of such U.S. Special Resolution Regime. Notwithstanding that such Warrants and the Securities Agency Agreement are governed by English law, Warrantholders in purchasing the Warrants should be aware that such transfer pursuant to the U.S. Special Resolution Regime may take effect as if the Warrants of the Securities Agency Agreement were governed by the laws of the United States or a state of the United States.

Furthermore, in the event that MSFL, MSBV, MSI plc or Morgan Stanley or any of their respective affiliates becomes subject to a U.S. Special Resolution Regime, Warrantholders should be aware that the rights of the Warrantholders under the terms and conditions of the Warrants and under the Securities Agency Agreement (including in respect of an event of default) may be overridden by and only be exercised to the extent that such rights could be exercised under the U.S. Special Resolution Regime as if the Warrants and Securities Agency Agreement were governed by the laws of the United States or any state of the United States.

Conflicts of interest

The Issuer, the Guarantor and their affiliates may act in a number of capacities in connection with the Program Securities and need not take into account the specific interests of any individual holder of such Program Securities. Such a party may also enter into business dealings relating to the Program Securities or the Relevant Underlying or any asset to which the Program Securities or Relevant Underlying are exposed, from which such party may derive revenues and profits in addition to any fees stated in the various documents, without any duty to account therefor, or act in a way that is adverse to the interests of the holders of the Program Securities generally.

For further information, see "*Conflicts of Interest*" beginning on page 50.

The United Kingdom's withdrawal from the European Union could adversely affect Morgan Stanley

It is difficult to predict the future of the UK’s relationship with the EU, the uncertainty of which may increase the volatility in the global financial markets in the short- and medium-term and may negatively disrupt regional and global financial markets. Additionally, depending on the outcome, such uncertainty may adversely affect the manner in which we operate certain of our businesses in Europe.

On January 31, 2020, the UK withdrew from the EU under the terms of a withdrawal agreement between the UK and the EU. The withdrawal agreement provides for a transition period to the end of December 2020, during which time the UK will continue to apply EU law as if it were a member state, and UK firms' passporting rights to provide financial services in EU jurisdictions will continue.

With respect to financial services, the withdrawal agreement provides that the UK and the EU will assess during the transition period whether they will grant each other equivalence under European financial regulations. Equivalence would provide a degree of access to EU markets for UK financial firms, although the extent and duration of such access remains subject to negotiation.

If equivalence (or any alternative arrangement) is not agreed, Morgan Stanley’s UK licensed entities may be unable to provide regulated services in a number of EU jurisdictions from the end of December 2020, absent further regulatory relief.

Potential effects of the UK exit from the EU and potential mitigation actions may vary considerably depending on the nature of the future trading arrangements between the UK and the EU.

We have taken steps to make changes to our European operations in an effort to ensure that we can continue to provide cross-border banking and investment and other services in EU Member States, which includes preparing for the possibility that UK financial firms’ access to EU markets after the transition period is limited. However, as a result of the political uncertainty described above, it is currently unclear what the final post-Brexit structure of our European operations will be.

Given the potential negative disruption to regional and global financial markets, and depending on the extent to which we may be required to make material changes to our European operations beyond those implemented or planned, our results of operations and business prospects could be negatively affected.

Morgan Stanley's results of operations have been, and will likely continue to be, adversely affected by the COVID-19 pandemic

The coronavirus disease (COVID-19) pandemic has, and will likely continue to, severely impact global economic conditions, resulting in substantial volatility in the global financial markets, increased unemployment, and operational challenges such as the temporary closures of businesses, sheltering-in-place directives and increased remote work protocols. Governments and central banks around the world have reacted to the economic crisis caused by the pandemic by implementing stimulus and liquidity programs and cutting interest rates, though it is unclear whether these or future actions will be successful in countering the economic disruption. If the pandemic is prolonged or the actions of governments and central banks are unsuccessful, the adverse impact on the global economy will deepen, and Morgan Stanley's results of operations and financial condition in future quarters will be adversely affected.

Towards the end of the first quarter of 2020 and into April 2020, the pandemic impacted each of Morgan Stanley's business segments and such impact will likely be greater in future quarters if conditions persist (e.g., decline and volatility of asset prices, reduction in interest rates, widening of credit spreads, credit deterioration, market volatility and reduced investment banking advisory activity). This resulted in significant decreases in the valuation of loans and commitments, investments and certain classes of trading assets, an increase in the allowance for credit losses, reduced net interest income, and reduced investment banking advisory fees. At the same time, increased revenues for certain products related to high levels of client trading activity, as well as balance sheet growth from increased deposits and derivative assets, may not be replicated in future quarters.

Should these global market conditions be prolonged or worsen, or the pandemic lead to additional market disruptions, Morgan Stanley could experience reduced client activity and demand for its products and services, higher credit and valuation losses in its loan and commitment and investment portfolios, impairments of other financial assets and other negative impacts on Morgan Stanley's financial position, including possible constraints on capital and liquidity, as well as a higher cost of capital, and possible changes or downgrades to Morgan Stanley's credit ratings. In addition, the sharp decline in interest rates will further decrease interest margins in Morgan Stanley's lending businesses across Wealth Management and Institutional Securities. A continued slowdown of commercial activity would cause overall investment banking revenues to decline and the decline in assets under management and client balances will also further reduce fee and financing revenues across all of Morgan Stanley's business segments.

Operationally, although Morgan Stanley has initiated a work remotely protocol and restricted business travel of its workforce, if significant portions of its workforce, including key personnel, are unable to work effectively because of illness, government actions, or other restrictions in connection with the pandemic, the impact of the pandemic on Morgan Stanley's businesses could be exacerbated.

While the COVID-19 pandemic negatively impacted Morgan Stanley's results of operations in the first quarter of 2020, the extent to which it, and the related global economic crisis, affect Morgan Stanley's businesses, results of operations and financial condition, as well as Morgan Stanley's regulatory capital and liquidity ratios, will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and any recovery period, future actions taken by governmental authorities, central banks and other third parties in response to the pandemic, and the effects on Morgan Stanley's customers, counterparties, employees and third-party service providers. Moreover, the effects of the COVID-19 pandemic will heighten the other risks described in the section entitled "Risk Factors" in Morgan Stanley's most recent Annual Report on Form 10-K and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K.

Risk Factors relating to the Program Securities

Program Securities linked to one or more securities, indices, funds, futures contracts, exchange-traded notes, commodities, currencies and/or underlying credits.

The Issuers may issue (i) Notes with principal and/or interest determined by reference to a single security, index, futures contract, exchange traded fund ("**ETF**") or other funds, to baskets of securities, indices, futures contracts, ETFs or other funds, to currency prices, exchange-traded notes, commodity prices, interest rates, to the credit of one or more entities not affiliated with the Issuers, or other assets or instruments (each,

a "**Relevant Underlying**") and (ii) Warrants and Certificates with a return determined by reference to an index or formula, to changes in the prices of securities, indices, ETFs, funds, futures contracts or commodities, to movements in currency exchange rates or other factors (each a "**Relevant Factor**"). In addition, the Issuers may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(a) they may lose all or a substantial portion of their principal or investment, depending on the performance of each Relevant Underlying or Relevant Factor, as applicable;

(b) the market price of such Program Securities may be very volatile;

(c) Warrants and Certificates, unless specified in the relevant Pricing Supplement, do not pay interest and investors in Notes may receive no interest;

(d) payment or payment of principal or interest, if applicable, may occur at a different time or in a different currency than expected;

(e) a Relevant Underlying or Relevant Factor, as applicable may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices, or prices of futures contracts;

(f) if a Relevant Underlying is applied to Notes or a Relevant Factor is applied to Warrants and Certificates in conjunction with a multiplier greater than one or such Relevant Underlying or Relevant Factor contains some other leverage factor, the effect of changes in the value of the Relevant Underlying on principal or interest payable on such Notes or Relevant Factor, on such Warrants or Certificates, is likely to be magnified; and

(g) the timing of changes in a Relevant Underlying or Relevant Factor, as applicable may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the value of the Relevant Underlying or Relevant Factor, the greater the effect on yield.

The Program Securities are not ordinary debt securities

The terms of certain Notes and of the Warrants and Certificates differ from those of ordinary debt securities because the Notes may not pay interest, the Warrants and Certificates do not pay interest and, on maturity, depending on the performance of the Relevant Underlying or Relevant Factor, as applicable, may return less than the amount invested or nothing, or may return assets or securities of an issuer that is not affiliated with the Issuer, the value of which is less than the amount invested. Prospective investors who consider purchasing the Program Securities should reach an investment decision only after carefully considering the suitability of the Program Securities in light of their particular circumstances. The price of the Program Securities may fall in value as rapidly as it may rise, and investors in the Program Securities may potentially lose all of their investment. Investors in Warrants or Certificates will sustain a total loss of their investment if the Warrants or Certificates expire out of the money.

Issuer call option risk

The Issuer may have the right to call for the termination of the Program Securities at any time or at the time as specified in the relevant Pricing Supplement. Following the exercise by the Issuer of such Issuer call option, the investors will be entitled to receive a pre-determined amount which may be less than the amount that the investors would have been entitled to receive under the terms of the Program Securities if such option had not been exercised.

In addition, investors in such Program Securities will no longer be able to realise his or her expectation for a gain in the value of such Program Securities and, if applicable, will no longer participate in the performance of the Relevant Underlying or Relevant Factor, as applicable.

An optional termination feature of the Program Securities is likely to limit their market value. During any period when the Issuer may elect to terminate the Program Securities, the market value of those Program Securities generally will not rise substantially above the price at which they can be terminated.

The Issuer may be expected to terminate the Program Securities when its cost of borrowing is lower than the interest rate on the Program Securities. At those times, an investor generally would not be able to reinvest the termination proceeds at an effective interest rate as high as the interest rate on the Program Securities being terminated and may only be able to do so at a significantly lower rate. Investors should consider reinvestment risk in light of other investments available at the time.

The determination to terminate the Program Securities shall be made by the Issuer at its discretion (unless Condition 23.6 (*Redemption at the Non-discretionary Option of the Issuer*), in the case of Notes, or Condition 7.2 (*Issuer Call Option – Non-discretionary Call Option*), in the case of Warrants or Certificates apply), taking into account a number of factors, including the current level of the reference asset and the likelihood that such levels will be maintained, or will increase or decrease, in the future. In making such determination, the Issuer will consider whether the expected performance of the reference asset could imply that a higher amount could be payable in the future under the Program Securities than the Optional Redemption Amount (Call) (in the case of Notes) or the Optional Settlement Amount (in the case of Warrants or Certificates). As a result, it is likely that the Issuer will exercise the call option at a time in which the termination of the Program Securities is least favourable for the investors. The Issuer shall make such determination without taking into account the interest of the investors. Any non-discretionary exercise of the call option shall be determined by reference to a proprietary valuation model of Morgan Stanley which, similarly, shall not take into account the interest of the investors. Accordingly, the call option whether or not discretionary can limit the possibility for investors to realise in full the expected returns.

Program Securities issued by MSBV and MSFL will not have the benefit of any cross-default or cross-acceleration with other indebtedness of MSBV, MSFL or Morgan Stanley; a Morgan Stanley covenant default or bankruptcy, insolvency or reorganization event does not constitute an Event of Default with respect to MSBV or MSFL Program Securities

Unless otherwise stated in the applicable Pricing Supplement, the Program Securities issued by MSBV and MSFL will not have the benefit of any cross-default or cross-acceleration with other indebtedness of MSBV, MSFL or Morgan Stanley (as applicable). In addition, a covenant default by Morgan Stanley, as guarantor, or an event of bankruptcy, insolvency or reorganization of Morgan Stanley, as guarantor, does not constitute an Event of Default with respect to any Program Securities issued by MSBV or MSFL. Holders of the Program Securities should be aware that they will not have the right to request the Issuer to redeem the Program Securities following a default by MSBV, MSFL or Morgan Stanley (as applicable) under its other indebtedness or following such covenant default or event of bankruptcy or insolvency or reorganisation of Morgan Stanley, as Guarantor.

The value of the Program Securities linked to the Relevant Underlying or Relevant Factor, as applicable may be influenced by unpredictable factors

The value of the Program Securities may be influenced by several factors beyond the Issuer's, and/or its Affiliates' and, where applicable, the Guarantor's control including:

1. *Valuation of the Relevant Underlying or Relevant Factor*. The market price or value of a Program Security at any time is expected to be affected primarily by changes in the level of the Relevant Underlying or Relevant Factor to which the Program Securities are linked. It is impossible to predict how the level of the Relevant Underlying or Relevant Factor will vary over time. The historical performance value (if any) of the Relevant Underlying or Relevant Factor does not indicate the future performance of the Relevant Underlying or Relevant Factor. Factors which may have an effect on the value of the Relevant Underlying or Relevant Factor include the rate of return of the Relevant Underlying or Relevant Factor and, where relevant, the financial position and prospects of the issuer of the Relevant Underlying or Relevant Factor, the specified entity with respect to Credit-Linked Notes or the market price or value of the applicable underlying security, index, ETF, fund, futures contract or basket of securities, indices, ETFs, funds or futures contracts. In addition, the level of the Relevant Underlying or Relevant Factor may depend on a number of inter related factors, including economic, financial and political events and their effect on the capital markets generally and relevant stock exchanges. Potential investors should also note that whilst the market value of the Program Securities is linked to the Relevant Underlying or Relevant Factor and will be influenced (positively or negatively) by the Relevant Underlying or Relevant Factor, any change may not be comparable and may be disproportionate. It is possible that while the Relevant Underlying or Relevant Factor is increasing in value, the value of the Program Securities may fall. Further, the Conditions of the Program Securities will allow the Determination

Agent to make adjustments or take any other appropriate action if circumstances occur where the Program Securities or any exchanges or price sources are affected by market disruption, adjustment events or circumstances affecting normal activities;

2. *Volatility*. The term "**volatility**" refers to the actual and anticipated frequency and magnitude of changes of the market price with respect to a Relevant Underlying or Relevant Factor. Volatility is affected by a number of factors such as macroeconomic factors (i.e. those economic factors which have broad economic effects), speculative trading and supply and demand in the options, futures and other derivatives markets. Volatility of a Relevant Underlying or Relevant Factor will move up and down over time (sometimes more sharply than at other times) and different Relevant Underlyings or Relevant Factors will most likely have separate volatilities at any particular time;

3. *Dividend Rates and other Distributions*. The value of certain Equity and Proprietary Index-Linked Notes, Fund-Linked Notes and Futures Contract-Linked Notes and of the Warrants and Certificates could, in certain circumstances, be affected by fluctuations in the actual or anticipated rates of dividend (if any) or other distributions on a Relevant Underlying or Relevant Factor;

4. *Interest Rates*. Investments in the Notes may involve interest rate risk. The interest rate level may fluctuate on a daily basis and cause the value of the Notes to change on a daily basis. The interest rate risk is a result of the uncertainty with respect to future changes of the market interest rate level. In general, the effects of this risk increase as the market interest rates increase;

5. *Remaining Term*. Generally, the effect of pricing factors over the term of the Program Securities will decrease as the maturity date approaches. However, this reduction in the effect of pricing factors will not necessarily develop consistently up until the maturity date, but may undergo temporary acceleration and/or deceleration. Even if the price of the Relevant Underlying or Relevant Factor rises or falls there may a reduction or increase, as the case may be, in the value of the Program Securities due to the other value determining factors. Given that the term of the Program Securities is limited, investors cannot rely on the price of the Relevant Underlying or Relevant Factor or the value of the Program Securities recovering again prior to maturity;

6. *Creditworthiness*. Any prospective investor who purchases the Program Securities is relying upon the creditworthiness of the Issuer and/or the Guarantor, if applicable, and has no rights against any other person. If the Issuer and/ or the Guarantor, if applicable, becomes insolvent, investors may suffer potential loss of their entire investment irrespective of any favourable development of the other value determining factors, such as a Relevant Underlying or Relevant Factor; and

7. *Exchange Rates*. Even where payments in respect of the Program Securities are not expressly linked to a rate or rates of exchange between currencies, the value of the Program Securities could, in certain circumstances, be affected by such factors as fluctuations in the rates of exchange between any currency in which any payment in respect of the Program Securities is to be made and any currency in which a Relevant Underlying or Relevant Factor is traded, appreciation or depreciation of any such currencies and any existing or future or governmental or other restrictions on the exchangeability of such currencies. There can be no assurance that rates of exchange between any relevant currencies which are current rates at the date of issue of the Program Securities will be representative of the relevant rates of exchange used in computing the value of the Program Securities at any time thereafter. Where Notes are described as being "quantoed", the value of the Relevant Underlying will be converted from one currency (the "**Relevant Underlying Currency**") into a new currency (the "**Settlement Currency**") on the date and in the manner specified in, or implied by, the Conditions using a fixed exchange rate. The cost to the Issuer of maintaining such a fixing between the Relevant Underlying Currency and the Settlement Currency will have an implication on the value of the Notes. The implication will vary during the term of the Notes. No assurance can be given as to whether or not, taking into account relative exchange rate and interest rate fluctuations between the Relevant Underlying Currency and the Settlement Currency, a quanto feature in a Note would at any time enhance the return on the Note over a level of a similar security issued without such a quanto feature, and a quanto feature may worsen the return.

Some or all of the above factors will influence the price investors will receive if an investor sells its Program Securities prior to maturity, which is usually referred to as "secondary market practice". For example, investors may have to sell certain Program Securities at a substantial discount from the principal amount or investment amount if the market price or value of the applicable Relevant Underlying or Relevant Factor is at, below, or not sufficiently above the initial market price or value or if market interest rates rise. The secondary market price may be lower than the market value of the issued Program Securities as at the Issue Date to take into account, amongst other things, amounts paid to distributors and other intermediaries relating to the issue and sale of the Program Securities and amounts relating to the hedging of the Issuer's obligations. As a result of all of these factors, any investor that sells the Program Securities before the stated expiration or maturity date, may receive an amount in the secondary market which may be less than the then intrinsic market value of the Program Securities and which may also be less than the amount the investor would have received had the investor held the Program Securities through to maturity.

Notes where denominations involve integral multiples

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

Certain considerations regarding the use of the Program Securities as hedging instruments

Any person intending to use the Program Securities as a hedge instrument should recognise the "correlation risk" of doing this. Correlation risk is the potential differences in exposure for a potential investor that may arise from the ownership of more than one financial instrument. The Program Securities may not hedge exactly a Relevant Underlying, Relevant Factor or portfolio of which a Relevant Underlying or Relevant Factor forms a part. In addition, it may not be possible to liquidate the Program Securities at a level which directly reflects the price of the Relevant Underlying, Relevant Factor or portfolio of which the Relevant Underlying or Relevant Factor forms a part. Potential investors should not rely on the ability to conclude transactions during the term of the Program Securities to offset or limit the relevant risks. This depends on the market situation and the specific Relevant Underlying or Relevant Factor conditions. It is possible that such transactions will only be concluded at an unfavourable market price, resulting in a corresponding loss for the Noteholder or the Securityholder.

Effect on the Program Securities of hedging transactions by the Issuer

The Issuer may use a portion of the total proceeds from the sale of the Program Securities for transactions to hedge the risks of the Issuer relating to the Program Securities. In such case, the Issuer or any of its Affiliates may conclude transactions that correspond to the obligations of the Issuer under the Program Securities. As a rule, such transactions are concluded prior to or on the Issue Date, but it is also possible to conclude such transactions after issue of the Program Securities. On or before a valuation date the Issuer or any of its Affiliates may take the steps necessary for closing out any hedging transactions. It cannot, however, be ruled out that the price of a Relevant Underlying or Relevant Factor will be influenced by such transactions. Entering into or closing out these hedging transactions may influence the probability of occurrence or non-occurrence of determining events in the case of Program Securities with a value based on the occurrence of a certain event in relation to a Relevant Underlying or Relevant Factor. Also, as noted above, these hedging activities could affect the price, rate, level or other value of the Relevant Underlying(s). Accordingly, the hedging activities of the Issuer and its affiliates could have a significant negative (or positive) impact on the investor's return on the Program Securities.

Financial Transaction Tax Risk

If "*Implementation of Financial Transaction Tax*" is specified in the applicable Pricing Supplement to be applicable to a Series, then if, on or after the Trade Date, due to the adoption of or any change in any applicable law or regulation (including, without limitation, any law or regulation implementing a system of financial transaction tax in any jurisdiction, including the European Union, relating to any tax payable in respect of the transfer of, or issue or modification or redemption of, any financial instruments), the Issuer determines that it (directly or through an Affiliate) would incur or has incurred a materially increased amount of tax, transfer tax, duty, stamp duty, stamp duty reserve tax, expense or fee (other than brokerage commissions) in relation to its obligations under such Series or its related hedge positions ("**Additional Tax**"), the Issuer may adjust the Conditions of such Series to reduce the amount otherwise payable under such Series to holders of such Program Securities in order to pass on to the holders of such Program Securities the full amount of such Additional Tax imposed on the Issuer.

Secondary trading of the Program Securities may be limited

Potential investors should be willing to hold the Program Securities until maturity. The nature and extent of any secondary market in the Program Securities cannot be predicted and there may be little or no secondary market in the Program Securities. As a consequence any person intending to hold the Program Securities should consider liquidity in the Program Securities as a risk. Where the Program Securities are listed or quoted on an exchange or quotation system, this does not imply greater or lesser liquidity than if equivalent Program Securities were not so listed or quoted and the Issuer cannot guarantee that the listing or quotation will be permanently maintained. Where the Program Securities are not listed or quoted, it becomes more difficult to purchase and sell such Program Securities and there may also be a lack of transparency with regard to pricing information.

Further, although an Issuer may apply to have certain issuances of Program Securities admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market, admitted to listing on the SIX Swiss Exchange and to trading on the main segment of the SIX Swiss Exchange, admitted to listing on the Luxembourg Stock Exchange and to trading on the Luxembourg Stock exchange's Euro MTF market, listed on the Global Market of the Gibraltar Stock Exchange, or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, approval for any listing is subject to meeting the relevant listing requirements. Even if there is a secondary market, it may not provide enough liquidity to allow the investor to sell or trade the Program Securities easily. MSI plc and other affiliates of Morgan Stanley may from time to time, make a market in the Program Securities, but they are not required to do so. If at any time MSI plc and other affiliates of the Issuers were to cease making a market in the Program Securities, it is likely that there would be little or no secondary market for the Program Securities. This may impact the ability of the investor of such Program Securities to sell the Program Securities at any time.

Investors have no shareholder rights

As an owner of Program Securities, investors should be aware that they will not have voting rights or rights to receive dividends, interest or other distributions, as applicable, or any other rights with respect to any underlying security, ETF, other fund, index or futures contract.

Modification and waiver

The Conditions of the English Law Notes and the Conditions of the Warrants and Certificates contain provisions for calling meetings of Noteholders and Securityholders (as applicable) to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the relevant Program Securities, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

The Conditions of the New York Law Notes contain provisions for Noteholder votes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not vote and Noteholders who voted in a manner contrary to the majority.

Holders of the Program Securities should be aware that if they are not party of the defined majority, including if such holder did not attend the relevant meeting, they will be bound by the decision of the defined majority on matters which may negatively affect the interests of such holder.

Restricted secondary trading if the electronic trading system is unavailable

Trading in the Program Securities may be conducted via one or more electronic trading systems so that "buy" and "sell" prices can be quoted for exchange and off exchange trading. If an electronic trading system used by the Issuer and/or its Affiliates were to become partially or completely unavailable, such a development would have a corresponding effect on the ability of investors to trade the Program Securities.

Settlement risk

If (with respect to any Program Securities that are physically settled) prior to the delivery of any specified asset(s), the Determination Agent for the Notes determines that a settlement disruption event (as defined, (in respect of the English Law Notes) in Condition 26.3 (*Settlement Disruption of Physical Settlement*) and Condition 26.4 (*Delivery Disruption of Physical Settlement*) and in Condition 18.1(c) (*Settlement Disruption*) (in respect of the Warrants and Certificates), a "**Settlement Disruption Event**") is subsisting, then the obligation to deliver such asset(s) shall be postponed to the first following business day on which no Settlement Disruption Event is subsisting. Prospective investors should note that any such determination may affect the value of the Program Securities and/or may delay settlement in respect of the Program Securities.

Prospective investors should note that for so long as any delivery of any part of the specified asset(s) is not practicable by reason of a Settlement Disruption Event, then the relevant Issuer may, in its reasonable discretion, satisfy its obligations to deliver such part of the specified asset(s) by payment of a disrupted cash settlement price. Prospective investors should note that the disrupted cash settlement price will reflect the fair market value of the Program Securities less the cost to the relevant Issuer and/or any of its Affiliates of unwinding any Relevant Underlying or Relevant Factor related hedging arrangements and that any such determination may adversely affect the value of the Program Securities.

Potential U.S. Withholding Tax under FATCA and on U.S. Dividend Equivalent Amounts

As discussed in "*United States Federal Taxation*" below, sections 1471 through 1474 of the U.S. Internal Revenue Code (the "**Code**") and any regulations thereunder or official guidance in connection therewith, an agreement entered into with the IRS pursuant to such sections of the Code, an intergovernmental agreement (an "**IGA**") between the United States and another jurisdiction in furtherance of such sections of the Code, or any non-U.S. laws or rules implementing an IGA (collectively referred to as "**FATCA**") may impose a withholding tax of 30 per cent. on payments made on the Program Securities (including payments made by financial intermediaries), unless various U.S. information reporting and due diligence requirements have been satisfied.

Furthermore, Section 871(m) of the Code and the regulations thereunder require withholding (up to 30 per cent depending on whether an income tax treaty applies) on payments or deemed payments made to non-U.S. persons on certain financial instruments to the extent that such payments are treated, for U.S. federal income tax purposes, as being U.S.-source dividend equivalent amounts.

If withholding is so required, none of the Issuers nor any intermediary will be required to pay any additional amounts with respect to the amounts so withheld. Either of the foregoing rules may affect the amounts paid to an investor on the Program Securities.

U.S. Federal Withholding Tax on Interest and Other Coupons

Payments in respect of a Note issued by Morgan Stanley and MSFL that are treated as interest for U.S. tax purposes may be subject to U.S. withholding tax of 30 per cent. if the beneficial owner of the Notes does not meet the criteria for being exempt from this withholding tax. These criteria include the requirement that the beneficial owner (or a financial institution holding the Notes on behalf of the beneficial owner) comply with certain tax identification and certification rules, generally by furnishing the appropriate IRS Form W-8BEN or W-8BEN-E on which the beneficial owner certifies under penalties of perjury that it is not a United States person. Other U.S. withholding taxes may apply in respect of a Note as described below under "*United States Federal Taxation*".

In addition, in the case of certain coupon-paying Notes, a non-U.S. investor may be required to establish an exemption under the "other income" provision of a Qualifying Treaty (as defined below) in order to receive payments from Morgan Stanley or MSFL without U.S. withholding tax of 30 per cent. An income tax treaty between a non-U.S. jurisdiction and the United States is a "**Qualifying Treaty**" if it provides for a 0 per cent. rate of tax on "other income" earned by a resident of the non-U.S. jurisdiction from sources within the

United States. Because most income tax treaties contain complex eligibility rules and limitations, a non-U.S. investor should consult its tax advisor about its eligibility for this exemption.

If withholding is so required, and unless specified otherwise in an applicable Pricing Supplement, none of Morgan Stanley, MSFL or any intermediary will be required to pay any additional amounts with respect to the amounts so withheld.

See "*United States Federal Taxation*" for further discussion regarding the potential U.S. withholding taxes that could apply to payments with respect to the Notes.

Total loss-absorbing capacity of New York Law Notes

Morgan Stanley intends that the New York Law Notes will, when issued, constitute "loss-absorbing capacity" within the meaning of the final rules issued by the Board of Governors of the Federal Reserve System and, accordingly, will have only those provisions described in this Offering Circular that will permit compliance thereof at such time of issuance. In this respect, Morgan Stanley is a parent holding company and has no operations and depends on dividends, distributions and other payments from its subsidiaries to fund its debt obligations (including New York Law Notes). Under a support agreement that Morgan Stanley has entered with its material subsidiaries, upon the occurrence of a resolution scenario, including a single-point-of-entry resolution strategy as contemplated in its resolution plan, Morgan Stanley would be obligated to contribute or loan on a subordinated basis all of its material assets, other than shares in its subsidiaries and certain intercompany payables, to provide capital and liquidity, as applicable, to its material subsidiaries. That obligation will be secured, in accordance with an amended and restated secured support agreement, on a senior basis by Morgan Stanley's assets (other than shares in its subsidiaries). As a result, claims of Morgan Stanley's material subsidiaries against its assets (other than shares in its subsidiaries) will be effectively senior to its unsecured obligations, including New York Notes which would be at risk of absorbing Morgan Stanley's and its subsidiaries' losses.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the applicable Pricing Supplement specifies otherwise, in the event that the relevant Issuer or the Guarantor (if applicable) would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction, or in certain circumstances following the occurrence of an Administrator/Benchmark Event or relevant adjustment events applicable to the Notes, the relevant Issuer may redeem all outstanding Notes in accordance with the Conditions at the redemption price specified in the applicable Pricing Supplement.

In addition, if in the case of any particular Tranche of Notes the applicable Pricing Supplement specifies that the Notes are redeemable at the relevant Issuer's option in certain other circumstances the relevant Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

In addition, an optional redemption feature in any particular Tranche of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

In the case of certain Notes, if such Notes are redeemed early for any reason, the amount payable by the Issuer may be less than the amount that would have been paid had the Notes been redeemed at maturity.

In addition, in the circumstance of an event of default by the relevant Issuer and acceleration of the Notes, the investor would have an unsecured claim against the Issuer or, if applicable, the Guarantor for the amount due on the early redemption of the Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the relevant Issuer

may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest bearing securities with comparable maturities.

Notes linked to the credit of one or more specified entities entail significant risks not associated with similar investments in conventional debt securities

Because the payment of principal and interest on Credit-Linked Notes is contingent on the credit of one or more specified entities and such specified entities' satisfaction of their present and future financial obligations, investors will take credit risk with respect to such specified entities in addition to credit risk with respect to the relevant Issuer and/or the Guarantor, if applicable. If one or more of such specified entities becomes bankrupt or subject to other insolvency procedures or fails to make payments on, repudiates or restructures any of the debt or other obligations described in the applicable Pricing Supplement, a credit event may occur.

If a credit event occurs, the maturity of the Credit-Linked Notes will be accelerated. Upon acceleration of the Credit-Linked Notes, the investor will receive the deliverable obligations, or a cash amount calculated by reference to the value of certain obligations, each as described in the applicable Pricing Supplement instead of the principal amount of the Credit-Linked Notes and, if so provided in the applicable Pricing Supplement, interest payments on the Credit-Linked Notes will cease. The market value of those deliverable obligations following a credit event will probably be significantly less than the principal amount of the Credit-Linked Notes. Such obligations may even be worthless. Thus, if a credit event occurs, the investor may lose all of its investment in the Credit-Linked Notes.

Several factors, many of which are beyond the relevant Issuer's and, where applicable, the Guarantor's control will influence the value of the Credit-Linked Notes and the possibility of early acceleration, including: (i) the creditworthiness of the specified entity or entities underlying the Credit-Linked Notes, (ii) the creditworthiness of the relevant Issuer and/or the Guarantor, if applicable, and (iii) economic, financial and political events that affect the markets in which such specified entity or entities and the relevant Issuer and, where applicable, the Guarantor do business and the markets for the debt or other obligations of such specified entity or entities and of the relevant Issuer and, where applicable, the Guarantor.

An Issuer may amend the terms and conditions of the Program Securities, the Guarantee and the applicable Deeds of Covenant without Noteholder or Securityholder consent if, in its reasonable opinion, such amendments are not materially prejudicial to Noteholders or Securityholders.

Condition 33.2 (*Modification*) of the terms and conditions of the English Law Notes and Condition 31.3 (*Modification*) of the terms and conditions of the Warrants and Certificates allows an Issuer to amend the terms and conditions of the Program Securities, the Guarantee, the Deeds of Covenant, the Issue and Paying Agency Agreement, the SEB Issuing and Paying Agency Agreement, the Euroclear Agreement and the Securities Agency Agreement without the consent of the holders if, in that Issuer’s opinion, the amendment is: to correct a manifest error or to effect a modification which is of a formal, minor or technical nature; to cure any ambiguity or correct or supplement any defective provisions; to correct an error or omission such that, in the absence of such correction, the relevant terms proposed to be corrected would not otherwise represent the intended terms on which the relevant Program Securities were sold and have since traded; or not materially prejudicial to the holders. When considering if a modification is materially prejudicial to a holder, the Issuer need not have regard to any particular circumstances of any such holder. Prospective investors should be aware that an Issuer is not required to consult with any other party, including the Noteholders or the Securityholders, prior to making such amendment. An Issuer is entitled to exercise its discretion in making these determinations and Noteholders and Securityholders will be bound by any such

amendments made pursuant to the terms and conditions of the Program Securities, notwithstanding that the Noteholders' or Securityholders' consent may not be required for such amendments.

United Kingdom stamp duty and stamp duty reserve tax

Potential purchasers of Warrants or Certificates should note that each Warrant or Certificate may constitute an instrument which is subject to United Kingdom stamp duty on issue by reference to the amount of the consideration given for the Warrants or Certificates so represented. If stamp duty is payable on the Warrants or Certificates, interest will be payable (in addition to the stamp duty) in respect of the period from 30 days after the date of execution of the Warrants or Certificates to the date of payment. Penalties may also be payable if the Warrants or Certificates are not stamped within 30 days of the date of execution of the Warrants or Certificates. If a Warrant or Certificate is subject to United Kingdom stamp duty, it would be inadmissible in evidence in an English court unless duly stamped. Potential purchasers should note that UK stamp duty reserve tax may become payable upon the issue of the Warrants or Certificates depending on the nature of the underlying securities and the precise terms of the Warrants or Certificates. Furthermore, potential purchasers should also note that UK stamp duty or stamp duty reserve tax may be payable on the transfer and / or exercise of the Warrants or Certificates depending on the nature of the Relevant Factor and the precise terms of the Warrants or Certificates.

Holders must exercise Warrants and Certificates or risk loss of investment

Where the terms and conditions of the Warrants and Certificates provide that the Warrants and Certificates must be exercised in order for the purchasers of the Warrants and Certificates to receive their settlement amount in respect of such Warrants and Certificates, and the applicable Pricing Supplement specifies "Deemed Exercise" to be not applicable, you must exercise your rights to receive payment in accordance with the terms and conditions of the Warrants and Certificates and the requirements of relevant clearing system or the relevant Agent, as applicable; otherwise you may lose your initial investment.

Risks relating to the occurrence of a Regulatory Event

Noteholders of Notes issued by MSBV should note that if Condition 29 (*Illegality and Regulatory Event*) of the "*Terms and Conditions of the English Law Notes*" below is specified as being applicable in the relevant Pricing Supplement, the Issuer shall have the right to redeem the Notes early (at the amount specified in the relevant Pricing Supplement) if the Issuer has determined that a Regulatory Event has occurred.

Noteholders should note in this regard the circumstances in which a Regulatory Event may be deemed by the Issuer to have occurred pursuant to the definition of "Regulatory Event" under Condition 2.1 (*Definitions*) of the "*Terms and Conditions of the English Law Notes*" below. There can be no assurance that a Regulatory Event will not occur and Noteholders should be aware that, should a Regulatory Event occur, it may lead to an early redemption of the Notes.

Risks relating to the provision of notices

Pursuant to the Conditions, the Issuer, the Determination Agent or the Calculation Agent, as applicable, in certain circumstances have obligations to provide Noteholders with notice of the occurrence of particular events with respect to the Notes including, without limitation, (i) notice of the occurrence of an event which the Issuer has determined shall lead to the early redemption of the Notes, or (ii) notice of a determination by the Determination Agent that certain adjustments are to be made to the terms of the Notes following the occurrence of a particular event in respect of which the Issuer has determined that the Notes shall continue. Holders of the Program Securities should be aware that, notwithstanding any such obligation to provide notice, in accordance with Condition 35 (*Notices*) of the "*Terms and Conditions of the English Law Notes*" below, any failure by the Issuer, the Calculation Agent, the Determination Agent or any other party to provide Noteholders with any notice due to be given to Noteholders in accordance with the Conditions shall not of itself affect the validity of the determination, adjustment, event or any other occurrence to which such notice relates.

Risk Factors relating to currencies and exchange rates

Currency exchange conversions may affect payments on some Warrants and Certificates

The applicable Pricing Supplement may provide for (i) payments on a non-U.S. Dollar denominated Warrant or Certificate to be made in U.S. Dollars or (ii) payments in respect of Warrants or Certificates to be made in a currency other than U.S. Dollars. In these cases, Morgan Stanley & Co. International plc, in its capacity as Exchange Rate Agent (the "**Exchange Rate Agent**"), or such other exchange rate agent identified in the applicable Pricing Supplement, will convert the applicable currency into U.S. Dollars or U.S. Dollars into the applicable currency. The investor will bear the costs of the conversion through deductions from those payments.

Emerging markets currencies

Where the Program Securities are denominated in an emerging market currency or linked to one or more emerging market currencies, such emerging market currencies can be significantly more volatile than currencies of more developed markets. Emerging markets currencies are highly exposed to the risk of a currency crisis happening in the future and this could trigger the need for the Determination Agent (Morgan Stanley & Co. International plc or other specified entity) to make adjustments to the terms and conditions of the Program Securities. Such adjustments may have an adverse effect on the value or return of the Program Securities.

Exchange rates and exchange controls may affect the value or return of the Program Securities

General Exchange Rate and Exchange Control Risks. An investment in a Program Security denominated in, or the payment of which is linked to the value of, currencies other than the investor's home currency entails significant risks. These risks include the possibility of significant changes in rates of exchange between its home currency and the other relevant currencies and the possibility of the imposition or modification of exchange controls by the relevant governmental authorities. These risks generally depend on economic and political events over which the Issuers have no control. Such risks may impact the payments due under the Program Securities and therefore the value or return of the Program Securities.

Exchange Rates Will Affect the Investor's Investment. In recent years, rates of exchange between some currencies have been highly volatile and this volatility may continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur during the term of any Program Security. Depreciation against the investor's home currency or the currency in which a Program Security is payable would result in a decrease in the effective yield of the Program Security (in the case of a Note) below its coupon rate and could result in an overall loss to an investor on the basis of the investor's home currency. In addition, depending on the specific terms of a Currency-Linked Note or Warrant or Certificate, 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 that Program Security.

The Issuers Have No Control Over Exchange Rates. Currency exchange rates can either float or be fixed. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to each other. However, from time to time governments may use a variety of techniques, such as intervention by a country's central bank, the imposition of regulatory controls or taxes, or changes in interest rate to influence the exchange rates of their currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by a devaluation or revaluation of a currency. These governmental actions could change or interfere with currency valuations and currency fluctuations that would otherwise occur in response to economic forces, as well as in response to the movement of currencies across borders.

As a consequence, these government actions could adversely affect yields or payouts in the investor's home currency for (i) Program Securities denominated or payable in currencies other than U.S. Dollars and (ii) Currency-Linked Notes or Currency Program Securities.

Subject to the Terms and Conditions of the relevant Program Securities, the Issuers will not make any adjustment or change in the terms of the Program Securities in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of other developments affecting any currency. Therefore the investor will bear those risks, which may adversely impact the return on and value of the Program Securities.

Some Currencies May Become Unavailable. Governments have imposed from time to time, and may in the future impose, exchange controls that could also affect the availability of a Specified Currency (as defined

herein). Even if there are no actual exchange controls, it is possible that the applicable currency for any security would not be available when payments on that security are due. Prospective investors in Currency-Linked Notes or Currency Program Securities should be aware that the Determination Agent may determine that a Currency Disruption Event has occurred or exists on a relevant date of valuation, and any consequential determination of the Settlement Rate by the Determination Agent in accordance with the Currency Disruption Fallbacks may have an adverse effect on the return on and value of the Program Securities.

Alternative Payment Method Used If Payment Currency Becomes Unavailable. If a payment currency is unavailable in respect of New York Law Notes or English Law Notes, Morgan Stanley would make required payments in U.S. Dollars on the basis of the Market Exchange Rate (as defined below under "Description of New York Law Notes — General" or Condition 2.1 (*Definitions*) of the Terms and Conditions of the English Law Notes, as applicable). However, if the applicable currency for any such Note is not available because the euro has been substituted for that currency, the relevant Issuer would make the payments in euro. Some Notes may specify a different form of payment if a non U.S. payment currency is unavailable to the relevant Issuer.

Currency Exchange Information may be provided in the Pricing Supplement. The applicable Pricing Supplement or offering circular supplement, where relevant, may include information with respect to any relevant exchange controls and any relevant historic exchange rate information for any Program Security. An investor in Currency-Linked Notes or Currency Program Securities should not assume that any historic information concerning currency exchange rates will be representative of the range of, or trends in, fluctuations in currency exchange rates that may occur in the future. Future fluctuations in currency exchange rates, the range of such fluctuation or trends in such fluctuations may adversely impact the return on and value of the Program Securities.

Exchange rates may affect the value of a judgment

The English law Notes and the Warrants and Certificates and any non-contractual obligations arising out of or in connection with them shall be governed by English law. Although an English court has the power to grant judgment in the currency in which a Program Security is denominated, it may decline to do so in its discretion. If judgment were granted in a currency other than that in which a Program Security is denominated, the investor will bear the relevant currency risk.

The New York Law Notes will be governed by the laws of the State of New York. If a New York court were to enter a judgment in an action on any securities denominated in a foreign currency, such court would either enter a judgment in U.S. Dollars based on the prevailing rate of exchange between the foreign currency and U.S. Dollars on the date such judgment is entered or enter judgment in the foreign currency and convert the judgment or decree into U.S. Dollars at the prevailing rate of exchange on the date such judgment or decree is entered.

Risk Factors relating to the Relevant Underlying

Program Securities linked to a single emerging market security, a single emerging market ETF or other fund, or a basket of securities or a basket of indices composed, in part or in whole, of emerging market securities or a basket of ETFs or other funds composed, in part of in whole, of emerging market ETFs or funds or futures contracts linked to any of the foregoing

Fluctuations in the trading prices of the underlying emerging market equity will affect the value of Equity and Proprietary Index-Linked Notes, Fund-Linked Notes or Futures Contract-Linked Notes where the underlying asset is such a share or comprised of any such shares and of Warrant and Certificates linked to emerging market securities, futures contracts and/or ETFs or other funds. Changes may result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the related countries or member nations, including economic and political developments in other countries. Of particular importance to potential risks are (i) rates of inflation; (ii) interest rate levels; (iii) balance of payments; and (iv) the extent of governmental surpluses or deficits in the relevant country. All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the related countries, the governments of the related countries and member nations (if any), and other countries important to international trade and finance. Government intervention could materially and adversely affect the value of such Program Securities. Governments use a variety of techniques, such as intervention by their central

bank or imposition of regulatory controls or taxes to affect the trading of the underlying equity. Thus, a special risk in purchasing such Program Securities is that their trading value and amount payable at maturity could be affected by the actions of governments, fluctuations in response to other market forces and the movement of currencies across borders. Emerging markets stocks may be more volatile than the stocks in more developed markets.

Risk Factors relating to Program Securities linked to securities (including ChiNext Shares) listed on PRC Stock Exchanges

The Program Securities may be linked to Shares which are eligible to be traded through the China Connect Service. The Issuer or its affiliates or others (each a "**Hedge Provider**") may obtain exposure to the Shares through the Qualified Foreign Institutional Investor ("**QFII**") regime. Where this is the case, it should be noted that on 29 September 2009, the State Administration for Foreign Exchange ("**SAFE**") issued the Provisions on the Foreign Exchange Administration of Domestic Securities Investment by Qualified Foreign Institutional Investors, which expressly prohibit a QFII (which may include the relevant Hedge Provider) from transferring or selling its investment quota. There are regulatory uncertainties as to whether issuing or providing hedging arrangements for market access products is regarded as being in compliance with the relevant rules, which prohibit transferring or selling investment quota by a QFII. In addition, the China Securities Regulatory Commission and SAFE may implement further measures from time to time.

Alternatively, a Hedge Provider may obtain exposure to the Shares through the China Connect Service. The China Connect Service is a securities trading and clearing programme under which the Stock Exchange of Hong Kong Limited provides order-routing and related services for certain securities traded on the Shanghai Stock Exchange and/or Shenzhen Stock Exchange (as the case may be), and the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange (as the case may be) and Hong Kong Securities Clearing Company Limited providing clearing, settlement, depository and related services in relation to such securities. Unlike an investment through the QFII regime, a Hedge Provider need not be approved as a QFII and is not subject to an individual investment quota. Nonetheless, trading through the China Connect Service is expected to be subject to a number of restrictions including pre-trade checking requirements, shareholding limits and aggregate and daily Renminbi quotas that apply to the market in general. The China Connect Service may also be disrupted or terminated. In addition, the China Connect Service is in its initial stages and accordingly further developments are likely. There are also further regulatory uncertainties that apply in each case, including the taxes to which trades are subject.

Investors should also note that any investments in Program Securities linked to Shares traded through the China Connect Service involves a high investment risk. In particular, profitability and other financial requirements for listing of shares on the ChiNext Board are less stringent than the Main Board and the SME Board of the Shenzhen Stock Exchange. Companies listed on the ChiNext Board may include enterprises in the innovation and technology sector as well as other start-up and/or growth enterprises with a smaller operating scale and share capital. Stock prices may also be more susceptible to manipulation due to fewer circulating shares. Accordingly, the ChiNext Shares may be very volatile and illiquid. It may be more common and easier for companies listed on the ChiNext Board to be delisted. The ChiNext Shares may become very illiquid after delisting. Any of these factors could affect the value of Program Securities linked to ChiNext Shares. In addition, current information on such companies may be limited and may not be widely available.

In light of the above, investments in Program Securities linked to ChiNext Shares through the China Connect Service may involve a more significant risk of loss compared to investments in Program Securities linked to other PRC underlying assets.

There are also further regulatory uncertainties that apply, including the taxes to which trades are subject. The above factors may affect Program Securities with one or more PRC underlying assets.

Program Securities linked to ADRs

An investment in Program Securities linked to American Depositary Receipts ("**ADRs**") entails significant risks in addition to those associated with Equity and Proprietary Index-Linked Notes and Equity and Proprietary Index-Linked Securities and with investments in a conventional debt security. There are important differences between the rights of holders of ADRs and the rights of holders of the equity issuer represented by such ADRs. An ADR is a security that represents capital stock of the relevant underlying equity issuer. The relevant deposit agreement for the ADR sets forth the rights and responsibilities of the

depositary (being the issuer of the ADR), the underlying equity issuer and holders of the ADRs which may be different from the rights of holders of the underlying equities. The legal owner of the underlying equities is the custodian bank which at the same time is the issuing agent of the ADR. Depending on the jurisdiction under which the ADRs have been issued and the jurisdiction to which the custodian agreement is subject, it is possible that the corresponding jurisdiction would not recognise the purchaser of the ADR as the actual beneficial owner of the underlying equities. Particularly in the event that the custodian bank becomes insolvent or that enforcement measures are taken against the custodian bank, it is possible that an order restricting free disposition could be issued with respect to the underlying equities or that such shares are realised within the framework of an enforcement measure against the custodian bank. If this is the case, the holder of the ADR loses their rights under the underlying equities and the relevant Program Securities would become worthless. Adjustment to the terms and conditions or replacement of the underlying equities following certain corporate events in relation to the underlying equities may materially and adversely affect the value of the Program Securities linked to ADRs.

Risks relating to Program Securities linked to Shares

Factors affecting the performance of Shares may adversely affect the value of Program Securities linked to Shares

The performance of Shares is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors and company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. These factors are not within the relevant Issuer, Morgan Stanley or any of Morgan Stanley's affiliates' control and may result in a decline in the value of the Program Securities.

Holders have no claim against the Share Issuer(s) or recourse to the Shares

Program Securities linked to Shares do not represent a claim against or an investment in any Share Issuer(s) and investors will not have any right of recourse under such Program Securities to any such company or the Shares. Program Securities linked to Shares are not in any way sponsored, endorsed or promoted by any Share Issuer(s) and such companies have no obligation to take into account the consequences of their actions for any holders. Accordingly, the Share Issuer(s) may take any actions in respect of such Share without regard to the interests of the investors in such Program Securities, and any of these actions could adversely affect the market value of Program Securities linked to Shares.

Determinations made by the Issuer and the Determination Agent in respect of Potential Adjustment Events, Merger Events, Tender Offers, Delisting, Nationalisations, Insolvencies and Additional Disruption Events may have an adverse effect on the value of Program Securities linked to Shares

Upon the determination by the Determination Agent, in its reasonable discretion, that a Potential Adjustment Event, Merger Event, Tender Offer, Delisting, Nationalisation, Insolvency or Additional Disruption Event has occurred in relation to an underlying Share or Share Company, the Issuer (in the case of a Merger Event, Tender Offer, Delisting, Nationalisation, Insolvency or an Additional Disruption Event) will, in its reasonable discretion, determine whether the relevant Program Securities shall continue or shall be redeemed early, any of which determinations may have an adverse effect on the value of such Program Securities and, in the case of a Potential Adjustment Event, the Determination Agent may, in its reasonable discretion, make certain determinations to account for the occurrence of the relevant event, including to make adjustments to the terms of the Program Securities. In particular, in the event that the Program Securities are early settled/redeemed, the amount payable to holders may be significantly less than the investor's initial investment, and may be as low as zero. If the Issuer determines that the relevant Program Securities shall be redeemed early, the Issuer shall provide notice of such early redemption to holders a prescribed number of days prior to the date fixed for redemption.

If the Issuer determines that the relevant Program Securities shall continue following the occurrence of such an event, the Determination Agent may, in its reasonable discretion, make certain determinations to account for the occurrence of the relevant event, including to make adjustments to the terms of the Program Securities.

Potential Adjustment Events include (a) a sub-division, consolidation or re-classification of the Shares, (b) a distribution, issue or dividend to existing holders of the Shares, (c) an extraordinary dividend, (d) a call of the Shares that are not fully paid, (e) a repurchase by the Share Issuer, or one of its subsidiaries, of the

Shares, (f) a separation of rights from the Shares or (g) any event having a dilutive or concentrative effect on the value of the Shares. Additional Disruption Events can include (1) a change in applicable law since the Trade Date that makes it illegal to hold, acquire or dispose of the Shares or more expensive for the relevant Issuer to hedge its obligations under the relevant Program Securities, (2) Increased Cost of Hedging and (3) Hedging Disruption.

General Risks relating to Notes linked to preference shares

The Issuers may issue Notes with principal determined by reference to the changes in the value of preference shares ("**Preference Shares**"), which may fluctuate up or down depending on the performance of the relevant underlying asset(s) or basis of reference to which Preference Shares are linked (the "**Preference Share Underlying**") as set out in the terms and conditions of the Preference Shares (the "**Terms of the Preference Shares**"). If, as a result of the performance of the Preference Share Underlying, the performance of the Preference Shares is negative the value of the Preference Share-Linked Notes will be adversely affected. Purchasers of Preference Share-Linked Notes risk losing all or a part of their investment if the value of the Preference Shares falls.

An investment in Preference Share-Linked Notes will entail significant risks not associated with a conventional debt or equity security. Purchasers of Preference Share-Linked Notes should conduct their own investigations and, in deciding whether or not to purchase the Preference Share-Linked Notes, prospective purchasers should form their own views of the merits of an investment related to the Preference Shares based upon such investigations and not in reliance on any information given in this document.

As set out below, Preference Share-Linked Notes will be subject to early redemption if an Extraordinary Event or, if applicable, an Additional Disruption Event occurs or if an Early Redemption Event occurs. In these circumstances the Issuer may redeem the Notes at the Early Redemption Amount or the Early Share Redemption Note Amount, as applicable. The Early Redemption Amount or Early Preference Share Redemption Note Amount may be less (and in certain circumstances, significantly less) than investors' initial investment.

Exposure to the Preference Share Underlying

The Preference Share Underlying may be a specified index or basket of indices, a specified equity or basket of equities, a specified currency or basket of currencies, a specified fund share or unit or basket of fund shares or units or such other underlying instruments, bases of reference or factors as may be determined by the issuer of the relevant Preference Shares (the "**Preference Share Issuer**") and specified in the terms and conditions of the relevant series of Preference Shares. ***Consequently potential investors should also consider the risk factors set out on pages 25-43 in respect of the risks involved in investing in Notes (in this case the Preference Shares) linked to certain Relevant Underlying(s).***

The Terms of the Preference Shares provide that the Preference Shares will be redeemable on their final redemption date (or otherwise in accordance with the Terms of the Preference Shares). On redemption, the Preference Shares will carry preferred rights to receive an amount calculated by reference to the Preference Share Underlying.

Investors should review the Terms of the Preference Shares and consult with their own professional advisors if they consider it necessary.

Credit and Fraud Risk of Preference Share Issuer

Preference Share-Linked Notes are linked to the performance of the relevant Preference Shares. Investors bear the risk of an investment in the Preference Share Issuer. The value of the Preference Share-Linked Notes is dependent on the value of the Preference Shares, which will depend in part on the creditworthiness of the Preference Share Issuer, which may vary over the term of the Preference Share-Linked Notes. The Preference Share Issuer is not an operating company. Its sole business activity is the issue of redeemable preference shares. The Preference Share Issuer does not have any trading assets and does not generate any significant net income. As its funds are limited any misappropriation of funds or other fraudulent action by the Preference Share Issuer or a person acting on its behalf would have a significant adverse effect on the value of the Preference Shares and will adversely affect the value of the Preference Share-Linked Notes.

Determination of Extraordinary Events and Additional Disruption Events

The Determination Agent may determine the occurrence of a Merger Event, Tender Offer, Insolvency or Additional Disruption Event in relation to the Preference Share-Linked Notes. Upon such determination, the relevant Issuer may, at its option redeem the Preference Share-Linked Notes in whole at the Early Redemption Amount which may be less than the amount invested in the Preference Share-Linked Notes. Noteholders will not benefit from any appreciation of the Preference Shares that may occur following such redemption.

No ownership rights

An investment in Preference Share-Linked Notes is not the same as an investment in the Preference Shares and does not confer any legal or beneficial interest in the Preference Shares or any Preference Share Underlying or any voting rights, right to receive dividends or other rights that a holder of the Preference Shares or any Preference Share Underlying may have. The Preference Share-Linked Notes are unsubordinated and unsecured obligations of the relevant Issuer.

Hedging activities of the Issuer and affiliates

The relevant Issuer or its affiliates may carry out hedging activities related to the Preference Share-Linked Notes, including purchasing the Preference Shares and/or the Preference Share Underlying, but will not be obliged to do so. Certain of the Issuer's affiliates may also purchase and sell the Preference Shares and/or purchase and sell the Preference Share Underlying on a regular basis as part of their securities businesses. Any of these activities could potentially affect the value of the Preference Share Underlying and, accordingly, the value of the Preference Shares and the Preference Share-Linked Notes.

Program Securities linked to commodities

Commodity markets are influenced by, among other things, changing supply and demand relationships, weather, governmental, agricultural, commercial and trade programs and policies designed to influence commodity prices, world political and economic events, changes in interest rates and factors affecting the exchange(s) or quotation system(s) on which any such commodities may be traded.

Where a Program Security linked to a commodity references a futures contract, this reference should be taken as if the futures contract had the specified commodity as the underlying commodity. Investments in futures and options contracts involve additional risks including, without limitation, leverage (margin is usually a percentage of the face value of the contract and exposure can be nearly unlimited).

A holder of a futures position may find such positions become illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a holder from promptly liquidating unfavourable positions and subject it to substantial losses. Futures contract prices in various commodities occasionally have exceeded the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the liquidation of unfavourable positions and subject an investor in a Program Security linked to such contract prices to substantial losses.

Commodity future prices reflect the expectations of the market players as to the future value of the commodity and may not be consistent with the current prices of the relevant commodity.

Risks related to CNY Program Securities

Renminbi is not a freely convertible currency at present.

The PRC government continues to regulate conversion between Renminbi and foreign currencies. The People's Bank of China ("**PBOC**") has established Renminbi clearing and settlement systems for certain locations pursuant to settlement agreements relating to the clearing of Renminbi business between PBOC and certain clearing banks. However, the current size of Renminbi and Renminbi denominated financial assets outside the PRC remains limited, and its growth is subject to many constraints which are directly

affected by PRC laws and regulations on foreign exchange and may adversely affect the liquidity of CNY Program Securities.

There is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under the CNY Program Securities.

The limited availability of Renminbi outside the PRC may affect the liquidity of the CNY Program Securities and the Issuer's ability to source Renminbi on satisfactory terms to make payments in respect of the CNY Program Securities.

Investment in CNY Program Securities is subject to exchange rate risks

The value of Renminbi against the Hong Kong Dollar and other foreign currencies fluctuates and is affected by developments in or affecting the PRC, PBOC currency exchange policy, international political and economic conditions and many other factors. All payments with respect to the CNY Program Securities will be made in CNY, except in the case of CNY Inconvertibility, CNY Non-Transferability or CNY Illiquidity (as defined in Condition 22 (*CNY Disruption Events*) of the Terms and Conditions of the English Law Notes (in respect of English Law Notes) and Condition 21 (*CNY Disruption Events*) of the Terms and Conditions of the Warrants and Certificates (in respect of Warrants and Certificates)), in which case all payments and settlement in CNY will be made in accordance with the provisions of Condition 22 (*CNY Disruption Events*) of the Terms and Conditions of the English Law Notes (in respect of English Law Notes) and Condition 21 (*CNY Disruption Events*) of the Terms and Conditions of the Warrants and Certificates (in respect of Warrants and Certificates). As a result, the value of CNY payments may vary with the prevailing exchange rates in the marketplace. If the value of CNY depreciates against the relevant currency, the value of the investment in relevant currency will have declined. In the case of CNY Inconvertibility, CNY Non-Transferability or CNY Illiquidity (as defined in Condition 22 (*CNY Disruption Events*) (in respect of the English Law Notes) and Condition 21 (*CNY Disruption Events*) (in respect of Warrants and Certificates)), such a decline may be very substantial.

Payments for the CNY Program Securities will only be made to investors in the manner specified in the CNY Program Securities

All payments to investors in respect of the Program Securities will be made solely (i) for so long as the CNY Program Securities are represented by a Registered Global Instrument held with the common depositary for Clearstream Banking société anonyme and Euroclear Bank S.A./N.V. or any alternative clearing system by transfer to a CNY bank account maintained outside the PRC, or (ii) for so long as the CNY Program Securities are in definitive form, by transfer to a CNY bank account maintained outside the PRC, in each case in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC). In addition, there can be no assurance that access to Renminbi for the purposes of making payments under the CNY Program Securities or generally may remain or will not become restricted. If it becomes impossible to convert Renminbi from/to another freely convertible currency, or transfer Renminbi between accounts in the relevant offshore CNY center(s), or the general Renminbi exchange market in the relevant offshore CNY center(s) becomes illiquid, any payment of Renminbi under the CNY Program Securities may be delayed or all payments and settlement will be made in accordance with the Disruption Fallbacks described in Condition 22 (*CNY Disruption Events*) (in respect of the English Law Notes) or Condition 21 (*CNY Disruption Events*) (in respect of Warrants and Certificates).

Effect of the liquidity of the Relevant Underlying or Relevant Factor on Program Security pricing

An Issuer's and/or its Affiliates' hedging costs tend to be higher the less liquidity the Relevant Underlying or Relevant Factor has or the greater the difference between the "buy" and "sell" prices for the Relevant Underlying, Relevant Factor or derivatives contracts referenced to the Relevant Underlying or Relevant Factor. When quoting prices for the Program Securities, the Issuer and/or its Affiliates will factor in such hedging costs and will pass them on to the Noteholders and Securityholders by incorporating them into the "buy" and "sell" prices. Thus, Noteholders and Securityholders selling their Program Securities on an

exchange or on the over-the-counter market may be doing so at a price that is substantially lower than the actual value of the Program Securities at the time of sale.

Fluctuations in value of a component of the Relevant Underlying

Fluctuations in the value of any one component of the Relevant Underlying may, where applicable, be offset or intensified by fluctuations in the value of other components, which could adversely affect the value of the Program Securities, the return on the Program Securities and the price at which the holder of such Program Securities can sell such Program Securities.

Historial value of the Relevant Underlying

The historical value (if any) of the Relevant Underlying or the components of the Relevant Underlying does not indicate their future performance. Holders of the Program Securities should be aware that the Relevant Underlying or the components of the Relevant Underlying may perform differently than they have historically, which could adversely affect the value of the Program Securities, the return on the Program Securities and the price at which the holder of such Program Securities can sell such Program Securities.

Exchange rate risk on the components

Where the value of the components is determined in a different currency to the value of the Relevant Underlying, investors may be exposed to exchange rate risk. In the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of other developments affecting any currency in connection with the components of the Relevant Underlying, the investor will bear those risks, which may adversely impact the return on and value of the Program Securities.

Risks relating to Program Securities linked to an index or indices

The Issuers may issue Notes with principal and/or interest, or Warrants and Certificates whose return is, determined by reference to an index or indices.

Factors affecting the performance of indices may adversely affect the value of such Program Securities

Indices are comprised of a synthetic portfolio of shares, bonds, currency exchange rates, commodities, property or other assets, and as such, the performance of an index is dependent upon the performance of components of such index, which may include interest rates, currency developments, political factors, market factors such as the general trends in capital markets or broad based indices and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. If an index does not perform as expected, this will materially and adversely affect the value of Program Securities that reference indices.

Returns on such Program Securities do not reflect a direct investment in underlying shares or other assets comprising the index

The return payable on Program Securities that reference indices may not reflect the return a potential investor would realise if it actually owned the relevant assets comprising the components of the index or owned a different form of interest in the relevant index. For example, if the components of the indices are shares, holders will not receive any dividends paid or distributions made on those shares and will not participate in the return on those dividends or distributions unless the relevant index takes such dividends into account for purposes of calculating the relevant level. Similarly, holders will not have any voting rights in the underlying shares or any other assets which may comprise the components of the relevant index. Accordingly, holders of Program Securities that reference indices as Relevant Underlying may receive a lower payment upon redemption/settlement of such Program Securities than such holder would have received if it had invested in the components of the index directly or other comparable instruments linked to the index.

A change in the composition or discontinuance of an index could adversely affect the market value of the Program Securities

The sponsor of any index can add, delete or substitute the components of such index or make other methodological changes that could change the level of one or more components. The changing of

components of any index may affect the level of such index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the payments made by the relevant Issuer to the holders of Program Securities that reference indices. The sponsor of any such index may also alter, discontinue or suspend calculation or dissemination of such index. Except where an index is a proprietary index, the sponsor of an index will have no involvement in the offer and sale of the Program Securities that reference that index and will have no obligation to any holder of such Program Securities. Accordingly, the sponsor of an index may take any actions in respect of such index without regard to the interests of the holder of the Program Securities, and any of these actions could adversely affect the market value of Program Securities that reference indices.

Exposure to Index Modification, Index Cancellation, Index Disruption, Administrator/ Benchmark Event and correction of index levels

The Determination Agent may in its reasonable discretion make certain determinations and adjustments, to replace the original Relevant Underlying with another and/or to cause early redemption/settlement of the Program Securities, any of which may be adverse to holders in connection with Index Modification, Index Cancellation, Index Disruption and Administrator/Benchmark Event. The Determination Agent may determine that the consequence of any such event is to make adjustments to the amounts payable by the Issuer under the Program Securities, to make adjustments to the other terms and conditions of the Program Securities, or to replace such index with another or to cause early redemption/settlement of the Program Securities. The Determination Agent may (subject to the terms and conditions of the relevant Program Securities) also amend the relevant index level due to corrections in the level reported by the index sponsor. The consequences of such amendments could adversely affect the market value of Program Securities that reference indices.

Program Securities linked to property indices

The Issuers may issue Notes with principal and/or interest, or Warrants and Certificates whose return is, determined by reference to a residential or commercial property index or indices ("**Property Indices**"). Property Indices may only be a reference guide to a certain property market and may not be representative of the relevant property market as a whole. The relevant Property Index may only measure the capital growth component of property only and may not include any income return component. A Property Index may be based on valuation data only and, as such, a Property Index may not necessarily reflect actual market prices and may rely on the ability of the index provider to gather property valuations and conduct continuous, close monitoring of such property valuations.

Property markets are illiquid and complex. The impact of price fluctuations in the property market may not immediately be reflected in the relevant Property Index (if at all). Properties may only be valued on an annual basis for the purposes of calculating the relevant Property Index and, as such, the level at which the Property Index stands may not be representative of actual market prices or transactions in the relevant property market. The provider of a Property Index may reserve the right to change the constituents of the relevant Property Index and the methodology used in its calculation. The publication of the Property Index may be delayed and/or subject to correction. Any of the foregoing may affect the return of the Program Securities.

Program Securities linked to proprietary indices

The Issuers may issue Notes with principal and/or interest, or Warrants and Certificates whose return is, determined by reference to a "proprietary index", where Morgan Stanley or a Morgan Stanley affiliate is the owner and sponsor such an index.

A proprietary index is a notional, rules-based index comprising its component(s) and the level of such index may go down as well as up, depending on the performance of the components and their effect on the strategy that the proprietary index has been developed to reflect. There can be no assurance as to the future performance of any such index, and the index level on any day may not reflect either its past performance or its future performance. The strategy that any such index has been developed to reflect may not be successful, and other strategies using the components and alternative indices and benchmarks may perform better than such index. Any past performance of a proprietary index (actual or simulated) is not an indication of its future performance.

Prospective investors in any Program Securities linked to a proprietary index should be familiar with investments in the global financial and commodity markets, financial instruments and indices generally.

An investor in Program Securities linked to a proprietary index will have no rights in respect of the proprietary index or any components of such proprietary index

The investment exposure provided by any proprietary index is notional or synthetic. Investors in Program Securities will (1) have no legal or beneficial ownership interest in any proprietary index or any component comprising a proprietary index (or components thereof) and therefore have no recourse to any such component; (2) have no right to take delivery of any such component; (3) have no rights generally with respect to any such component (where in relation to voting or otherwise); and (4) have no right to receive dividends, distributions or other payments with respect to any such component.

A proprietary index may have a limited operating history and may perform in unanticipated ways

A proprietary index may be a relatively new strategy. Where limited historical performance data exists with respect to the components referenced by such index and/or the index itself, any investment in respect of which returns are linked to the performance of such an index or its components may involve greater risk than an investment linked to returns generated by an investment strategy with a proven track record. While a longer history of actual performance could provide more reliable information on which to assess the validity of a strategy that a proprietary index is intended to reflect and on which to base an investment decision, the fact that such an index and/or the relevant components are relatively new would not allow this. There can be no guarantee or assurance that a proprietary index or its components will operate in a manner consistent with the data available.

Where Morgan Stanley or an affiliate of Morgan Stanley is the sponsor of the proprietary index, the sponsor hedging activity may affect the level of such index

By executing products linked to a proprietary index where Morgan Stanley or a Morgan Stanley affiliate is the sponsor of such index, Morgan Stanley and/or its affiliates will have an exposure to such index and its components. Morgan Stanley will take risk positions to hedge this exposure in its sole discretion and in a principal capacity. Investors in any Program Securities linked to such an index will not have any rights in respect of any Morgan Stanley hedge positions, including without limitation, any shares, futures, options, commodities or currencies. Morgan Stanley may execute its hedging activity by trading in the components of any index at any time and this may have an adverse impact on the performance of a Proprietary Index. Morgan Stanley's hedging activity, and hence the size of such impact, may be linked to the amount of new and outstanding products (including any Program Securities) linked to the relevant index at the relevant time.

Additionally, Morgan Stanley may generate revenues if it executes its hedging activity at different levels from those used to determine the value of a proprietary index. Such hedging activity could generate significant returns to Morgan Stanley that will not be passed on to investors in Program Securities linked to any such proprietary index.

Risk associated with estimating the price of the Relevant Underlying or Relevant Factor if its domestic market is closed while secondary trading in the Program Securities is open

If the Relevant Underlying or Relevant Factor is traded on its domestic market during the opening hours for secondary trading in the Program Securities by the Issuers or their Affiliates or any stock exchange on which the Program Securities are listed, the price of the Relevant Underlying or Relevant Factor is incorporated into the price calculation for the Program Securities. In certain cases, however, the price of the Relevant Underlying or Relevant Factor may need to be estimated if the Program Securities are traded at a time when the market for the Relevant Underlying or Relevant Factor is closed. In general, this problem could apply to the Program Securities irrespective of the time at which they are traded because the Issuers and/or their Affiliates currently offer off exchange trading in the Program Securities at times when the Relevant Underlying or Relevant Factor is not traded on the local markets or stock exchanges. This problem applies in particular to a Relevant Underlying or Relevant Factor that is traded in time zones different from European time zones. The same problem arises if the Program Securities are traded on days on which the domestic market for the Relevant Underlying or Relevant Factor is closed because of a public holiday. If the Issuers and/or any of their Affiliates estimates the price of the Relevant Underlying or Relevant Factor when the domestic market is closed, its estimate may prove to be accurate, too high or too low within just a

few hours of the domestic market re-opening for trade in the Relevant Underlying or Relevant Factor. Correspondingly, the prices used by the Issuers and/or any of their Affiliates for the Program Securities prior to the opening of business on the domestic market may subsequently prove to be too high or too low. Holders of the Program Securities should be aware that where the estimated price of the Relevant Underlying is too low, the secondary trading price of the Program Securities may be less than if the price of the Relevant Underlying had not been estimated.

Market Disruption Event, Disrupted Day, Adjustments and Early Redemption or termination of Program Securities

The Determination Agent may determine that a Market Disruption Event or a failure to open of an Exchange or Related Exchange has occurred or exists on a relevant date of valuation, and any consequential postponement of such date of valuation may have an adverse effect on the value of the Program Securities.

In addition the Determination Agent may make adjustments to the Program Securities to account for relevant adjustments or events in relation to the Relevant Underlying or Relevant Factor including, but not limited to, determining a successor to the Relevant Underlying or Relevant Factor or its sponsor (in the case of an Index), or determining a successor or substitute futures contract (in the case of a Futures Contract). In addition, in certain circumstances, the relevant Issuer may redeem or terminate the Program Securities early following any such event. In this case, in relation to each Note, the relevant Issuer will pay an amount, if any, determined as provided in the Conditions.

Prospective investors should review the Conditions to ascertain whether and how such provisions apply to the Program Securities and what constitutes a Market Disruption Event or relevant adjustment event.

In making these determinations and adjustments, the Determination Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest. The Determination Agent is not required but has the discretion to make adjustments (or to early redeem the Program Securities) with respect to each and every corporate action.

Program Securities linked to the performance of funds

The Issuers may issue Program Securities where the redemption amount or, if applicable, the interest amount in relation to Fund-Linked Notes or the return, in relation to Fund-Linked Securities (together with the Fund-Linked Notes, "**Fund-Linked Program Securities**") is linked to the performance of a unit, share or other interest in a fund (each, a "**Fund Interest**") or a basket of Fund Interests. Such funds may include mutual funds or any other types of fund in any jurisdiction, or any combination of the foregoing. Investments offering direct or indirect exposure to the performance of funds are generally considered to be particularly risky and may bear similar risks, including but not limited to, market risks in relation to a direct investment in funds.

Prospective investors should note that payments on redemption or termination of Fund-Linked Program Securities at maturity, expiration, early redemption or early termination may be postponed, in accordance with the Conditions, up to any specified long stop date. If the specified long stop date is reached, for the purposes of determining the Redemption Amount or any other such payment or settlement amounts, as applicable, the affected fund interests may be deemed to have a zero value. Prospective investors should also be aware that if one or more events occurs in relation to the Fund or any Fund Service Provider, including insolvency of the Fund or Fund Service Provider, then where "Fund Event Unscheduled Redemption" or "Fund Event Unscheduled Termination" (as applicable) is specified in the applicable Pricing Supplement, the relevant Issuer may, in its reasonable discretion, determine whether the Fund-Linked Program Securities will continue or whether they will be redeemed or terminated on a date other than the scheduled Maturity Date or Expiration Date (as applicable). If the relevant Issuer determines that the Fund-Linked Program Securities will continue, this may result in the substitution of the affected Fund Interest with other Fund Interests with similar characteristics or adjustments to the Conditions of the Program Securities to account for the occurrence of the relevant event. These actions may have an adverse effect on the return and risk profile of the relevant Fund-Linked Program Securities, and consequently, the value of such Fund-Linked Program Securities and if the Fund-Linked Program Securities are redeemed or terminated early the amount investors receive may be considerably less than their original investment and may even be zero.

Neither the Issuer nor the Determination Agent has any obligation to monitor and/or determine if a Fund Event has occurred at any time or to take any action in respect thereof. In certain circumstances, it may be the case that if action were taken by the Issuer or the Determination Agent at a different time or at all, amounts due to holders or the terms of any other adjustment made to the Program Securities would have resulted in a higher return to investors.

The risks associated with investing in Fund-Linked Program Securities are similar to the risks attached to a direct investment in the underlying fund or funds. There are substantial risks in directly or indirectly investing in funds including, without limitation, the risks set out below. Prospective investors should note that references to funds below can refer both to the funds referenced in any Fund-Linked Program Securities and also to any funds in which any of those funds invests its assets from time to time:

Investments risks that prospective investors should be aware of include the following:

1. different types of funds are subject to differing levels of regulatory supervision.

2. funds may have varying restrictions on leverage. Leverage presents the potential for a higher rate of return but also increases the volatility of the fund and increases the risk of a total loss of the amount invested.

3. funds may have differing investment restrictions and some funds may invest in assets which are illiquid or difficult to transfer. This may have an effect on the realisation of such assets and in turn, the value and performance of the fund. In addition, a fund's assets or investments may be concentrated in a few markets, countries, industries, commodities, sectors of an economy or issuers. If so, adverse movements in a particular market, country, industry, commodity, economy or industry or in the value of the securities of a particular issuer could have a severely negative effect on the value of such a fund. In addition, a fund may use a single advisor or employ a single strategy, which could mean a lack of diversification and higher risk.

4. substantial redemptions by holders of Fund Interests in a fund within a short period of time could require the fund's investment manager(s) and/or advisor(s) to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the fund's assets.

5. the performance of a fund will be heavily dependent on the performance of investments selected by its advisors or investment managers and the skill and expertise of such fund service providers in making successful and profitable investment decisions. Such skill and expertise may be concentrated in a number of the advisor's or investment manager's key personnel. Should these key personnel leave or become no longer associated with the fund's advisor or investment manager, the value or profitability of the fund's investments may be adversely affected as a result.

Program Securities linked to the performance of futures contracts

The Issuers may issue Notes, Warrants or Certificates, where the redemption amount or, if applicable, the interest amount ("**Futures Contract-Linked Notes**", "**Futures Contract Securities**" and "**Futures Contract Basket Securities**", as applicable) is linked to the performance of a futures contract (a "**Futures Contract**") or a basket of Futures Contracts. The underlying of such Futures Contracts may include equity indices (including equity indices giving exposure to dividends paid by the constituent companies or the volatility of those constituent companies), single stocks, foreign exchange rates, bonds, or other types of underlying asset(s), contracts or property. It is important that an investor in Program Securities linked to the performance of futures contracts understands the contract specification of the relevant Futures Contract(s), including the applicable underlying(s) and term for which exposure is given.

The risks associated with investing in Futures Contract-Linked Notes, Futures Contract Securities or Futures Contract Basket Securities are similar to the risks attached to a direct investment in the relevant futures contract(s). There are substantial risks in directly or indirectly investing in futures contracts including, without limitation, the risks set out below.

Investment risks that prospective investors should be aware of include the following:

(a) The value of the futures contract(s) underlying the Program Securities may vary over time and may increase or decrease by reference to a variety of factors which include the factors affecting any underlying of the futures contract(s) such as:

- the expectations of performance in relation to the underlying of the futures contract or the constituent assets of any index or indices underlying the Futures Contract from time to time;
- in the case of an index underlying the Futures Contract, any changes in the constituents of that index;
- market interest and yield rates;
- economic, political, structural supply and demand and macro-economic factors;
- changes in applicable law and regulation; and
- in the case of Program Securities linked to dividend futures contracts (the value of which typically tracks dividends paid by the constituent companies of the underlying equity index during a specified time period), the dividend policy of the relevant constituent companies of the related underlying index and the terms as to which dividends are relevant realised dividends (which often exclude special or extraordinary dividends). Investors should be aware that such constituent companies may pay reduced relevant dividends or no such dividends in respect of the relevant contract period or dividends that may bear no relation to dividends paid during a prior contract period.

In addition, the value of future contract(s) also depends on factors relating to the relevant futures contract itself, such as the time remaining to the final settlement date, and the liquidity of such futures contract(s), the contract specification and the terms of the relevant underlying(s).

Prior to purchasing Futures Contract-Linked Notes, Futures Contract Securities or Futures Contract Basket Securities, prospective investors should ensure they are familiar with investments in global capital markets and with derivatives generally, and carefully consider such factors, as the value of the Futures Contract(s) will affect the return on the Program Securities.

(b) The Program Securities give rise to obligations of the Issuer and will not give rise to any obligations or rights in respect of the Futures Contract(s) or any underlying(s) of the Futures Contract(s). The return on investment may have been higher if made in the Futures Contract(s) or underlying(s) of the Futures Contract(s) rather than by purchasing the Program Securities.

(c) The performance of a similar futures contract or its underlying(s) over a prior contract period will not necessarily be indicative of the performance of the relevant Futures Contract(s) to which the Program Securities relate.

Reform of LIBOR and EURIBOR and Other Interest Rate Index and Equity, Commodity and Foreign Exchange Rate Index "Benchmarks"

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Program Securities linked to a "benchmark."

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". The disappearance of a "benchmark" or changes in the manner of administration of a "benchmark" could have materially adverse consequences in relation to securities linked to such "benchmark".

Planned replacement of London Interbank Offered Rate and replacement or reform of other interest rate benchmarks could adversely affect Morgan Stanley's business, financial condition and results of operations

Central banks around the world, including the Federal Reserve, have commissioned working groups of market participants and official sector representatives to replace LIBOR and replace or reform other interest rate benchmarks (collectively, the "**IBORs**"). A transition away from the widespread use of such rates to alternative rates and other potential interest rate benchmark reforms has begun and will continue over the course of the next few years. For example, the FCA, which regulates LIBOR, has announced that it has commitments from panel banks to continue to contribute to LIBOR through the end of 2021, but that it will not use its powers to compel contributions beyond such date. As a result, there is considerable uncertainty regarding the publication of LIBOR beyond 2021, and regulators globally have continued to emphasize the need for the industry to plan accordingly.

The Federal Reserve Bank of New York now publishes three reference rates based on overnight U.S. Treasury repurchase agreement transactions, including the Secured Overnight Financing Rate, which had been recommended as the alternative to U.S. dollar LIBOR by the Alternative Reference Rates Committee convened by the Federal Reserve and the Federal Reserve Bank of New York. Further, the Bank of England is publishing a reformed Sterling Overnight Index Average, comprised of a broader set of overnight Sterling money market transactions, which has been selected by the Working Group on Sterling Risk-Free Reference Rates as the alternative rate to Sterling LIBOR. Central bank-sponsored committees in other jurisdictions, including Europe, Japan and Switzerland, have selected alternative reference rates denominated in other currencies.

The market transition away from IBORs to alternative reference rates is complex and could have a range of adverse impacts on our business, financial condition and results of operations. In particular, such transition or reform could:

- Adversely impact the pricing, liquidity, value of, return on and trading for a broad array of financial products, including any IBOR-linked securities, loans and derivatives that are included in Morgan Stanley's financial assets and liabilities;

- Require extensive changes to documentation that governs or references IBOR or IBOR-based products, including, for example, pursuant to time-consuming renegotiations of existing documentation to modify the terms of outstanding securities and related hedging transactions;

- Result in a population of products with documentation that governs or references IBOR or IBOR-based products but that cannot be amended due to an inability to obtain sufficient consent from counterparties or product owners;

- Result in inquiries or other actions from regulators in respect of Morgan Stanley's (or the market's) preparation and readiness for the replacement of an IBOR with one or more alternative reference rates;

- Result in disputes, litigation or other actions with clients, counterparties and investors, in various scenarios, such as regarding the interpretation and enforceability of provisions in IBOR-based products such as fallback language or other related provisions, including in the case of fallbacks to the alternative reference rates, any economic, legal, operational or other impact resulting from the fundamental differences between the IBORs and the various alternative reference rates;

- Require the transition and/or development of appropriate systems and analytics to effectively transition Morgan Stanley's risk management processes from IBORs to those based on one or more alternative reference rates in a timely manner, including by quantifying value and risk for various alternative reference rates, which may prove challenging given the limited history of the proposed alternative reference rates; and

- Cause Morgan Stanley to incur additional costs in relation to any of the above factors.

Other factors include the pace of the transition to the alternative reference rates, timing mismatches between cash and derivative markets, the specific terms and parameters for and market acceptance of any alternative reference rate, market conventions for the use of any alternative reference rate in connection with a particular product (including the timing and market adoption of any conventions proposed or recommended by any industry or other group), prices of and the liquidity of trading markets for products based on alternative reference rates, and our ability to transition and develop appropriate systems and analytics for one or more alternative reference rates.

LIBOR, EURIBOR, SONIA and other benchmark rate discontinuance or prohibition on use may lead to adjustments to the terms of the Notes or an early redemption of the Notes

Fallback arrangements under English Law Notes where (i) the Relevant Rates Benchmark is other than U.S. Dollar LIBOR or SOFR, and (ii) the provisions of Condition 6.14 (Relevant Rates Benchmark Discontinuance or Prohibition on Use) are applicable

Where any variable by reference to which interest is payable under the Notes is an index, benchmark, rate or price source which is specified in the Conditions as a "Relevant Rates Benchmark", the administrator or sponsor (or the Relevant Rates Benchmark) may be required to be authorised, registered, recognised, endorsed or otherwise included in an official register in order for the Issuer, the Determination Agent or the Calculation Agent to be permitted to use the Relevant Rates Benchmark and perform their respective obligations under the Notes. If the Determination Agent determines that such a requirement applies to the administrator or sponsor (or the Relevant Rates Benchmark) but it has not been satisfied, and if the applicable Pricing Supplement specifies that the provisions of Condition 6.14 (*Relevant Rates Benchmark Discontinuance or Prohibition on Use*) are applicable, then an "Administrator/Benchmark Event" will occur.

In order to address the risk of an Administrator/Benchmark Event occurring or a possible discontinuance of LIBOR (referred to above) and other reference rates, the Conditions include certain fallback provisions. These provisions apply to "Relevant Rates Benchmarks" (which will include LIBOR, EURIBOR, SONIA and other similar interbank rates).

The fallback provisions will be triggered if the Determination Agent determines that (i) the administrator or regulatory supervisor (or other applicable regulatory body) in connection with such Relevant Rates Benchmark announces that the administrator has ceased or will cease permanently or indefinitely to provide such Relevant Rates Benchmark and there is no successor administrator that will continue to provide the Relevant Rates Benchmark, (ii) where the Relevant Rates Benchmark is a LIBOR (other than U.S. Dollar LIBOR), a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Rates Benchmark announcing that the Relevant Rates Benchmark is no longer representative, or (iii) unless otherwise specified in the applicable Pricing Supplement, an Administrator/Benchmark Event occurs in relation to such Relevant Rates Benchmark.

Following the occurrence of any of these events the Determination Agent may replace the Relevant Rates Benchmark with any "Alternative Pre-nominated Reference Rate" which has been specified in the applicable Pricing Supplement or if no Alternative Pre-nominated Reference Rate is specified in the applicable Pricing Supplement, with an alternative rate that is consistent with accepted market practice. If an Alternative Pre-nominated Reference Rate or other alternative rate is used then the Determination Agent may also make other adjustments to the Notes, including to the new rate and to the Margin, which are consistent with accepted market practice for the use of such rate for debt obligations such as the Notes. If the Determination Agent is unable to identify an alternative rate and determine the necessary adjustments to the terms of the Notes then the Issuer may redeem the Notes. The replacement of the Relevant Rates Benchmark by an Alternative Pre-nominated Reference Rate or other alternative rate and the making of other adjustments to the Notes and other determinations, decisions or elections that may be made under the terms of the Notes in connection with the replacement of a Relevant Rates Benchmark could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes. Any early redemption of the Notes will result in the Noteholder losing any future return on the Notes and may result in the Noteholder incurring a loss on its investment in the Notes.

Any determination or decision of the Determination Agent described above will be made in the Determination Agent's discretion (in some cases after consultation with the Issuer).

Potential investors in any Notes that reference a Relevant Rates Benchmark (other than U.S. Dollar LIBOR or SOFR) should be aware that (i) the composition and characteristics of the Alternative Pre-nominated Reference Rate or other alternative rate will not be the same as those of the Relevant Rates Benchmark which it replaces, the Alternative Pre-nominated Reference Rate or other alternative rate will not be the economic equivalent of the Relevant Rates Benchmark that it replaces, there can be no assurance that the Alternative Pre-nominated Reference Rate or other alternative rate will perform in the same way as the Relevant Rates Benchmark that it replaces would have at any time and there is no guarantee that the Alternative Pre-nominated Reference Rate or other alternative rate will be a comparable substitute for the Relevant Rates Benchmark which it replaces, (each of which means that the replacement of the Relevant Rates Benchmark by the Alternative Pre-nominated Reference Rate or other alternative rate could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes), (ii) any failure of the Alternative Pre-nominated Reference Rate or other alternative rate to gain market acceptance could adversely affect the Notes, (iii) the Alternative Pre-nominated Reference Rate or other alternative rate may have a very limited history and the future performance of the Alternative Pre-nominated Reference Rate or other alternative rate cannot be predicted based on historical performance, (iv) the secondary trading market for Notes linked to the Alternative Pre-nominated Reference Rate or other alternative rate may be limited and (v) the administrator of the Alternative Pre-nominated Reference Rate or other alternative rate may make changes that could change the value of the Alternative Pre-nominated Reference Rate or other alternative rate or discontinue the Alternative Pre-nominated Reference Rate or other alternative rate and has no obligation to consider the Noteholder's interests in doing so.

Fallback arrangements under English Law Notes and New York Law Notes where the Relevant Rates Benchmark or the Base Rate (as applicable) is U.S. Dollar LIBOR or SOFR: If U.S. Dollar LIBOR or SOFR is discontinued, any Floating Rate Notes referencing U.S. Dollar LIBOR or SOFR will bear interest by reference to a different base rate, which could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes; there is no guarantee that any Benchmark Replacement will be a comparable substitute for U.S. Dollar LIBOR or SOFR.

If the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of U.S. Dollar LIBOR (with the applicable period of maturity in the case of Screen Rate Determination or the applicable Designated Maturity in the case of ISDA Determination) (in the case of Notes referencing U.S. Dollar LIBOR) or SOFR (in the case of Notes referencing SOFR) or the Base Rate (with the applicable Index Maturity) (as applicable) and, if applicable, cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then the interest rate on the Notes will no longer be determined by reference to U.S. Dollar LIBOR or SOFR (as the case may be), but instead will be determined by reference to a different base rate, which (in the case of Notes referencing U.S. Dollar LIBOR) will be a different benchmark than U.S. Dollar LIBOR or (in the case of Notes referencing SOFR) will be a different benchmark than SOFR, plus a spread adjustment, which is referred to as a "Benchmark Replacement", as further described in the relevant terms and conditions. In such a case with respect to U.S. Dollar LIBOR, in the first instance, the interest rate on the Notes will be determined based on Fallback Term SOFR, which is a forward-looking term rate based on SOFR that is currently being considered for development by the Alternative Reference Rates Committee (the "**ARRC**"), a group of private-market participants convened by the Federal Reserve Board and the Federal Reserve Bank of New York to help ensure a successful transition from U.S. dollar LIBOR to SOFR. There can be no assurance that the development of a Fallback Term SOFR will be completed and selected or recommended by the ARRC.

If a particular Benchmark Replacement or Benchmark Replacement Adjustment cannot be determined, then the next available Benchmark Replacement or Benchmark Replacement Adjustment will apply. These replacement rates and adjustments may be selected, recommended or formulated by (i) the Relevant Governmental Body (such as the ARRC), (ii) ISDA or (iii) in certain circumstances, the Issuer or its designee. In addition, the terms of the Notes expressly authorize the Issuer or its designee to make Benchmark Replacement Conforming Changes with respect to, among other things, changes to the definition of "interest period," timing and frequency of determining rates and making payments of interest and other administrative matters. The determination of a Benchmark Replacement, the calculation of the interest rate on the Notes by reference to a Benchmark Replacement (including the application of a Benchmark Replacement Adjustment), 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 a Benchmark Transition Event could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes.

Any determination, decision or election described above will be made in the Issuer's or its designee's sole discretion.

Potential investors in any Notes that reference either U.S. Dollar LIBOR or SOFR should be aware that (i) the composition and characteristics of the Benchmark Replacement will not be the same as those of U.S. Dollar LIBOR or SOFR (as the case may be), the Benchmark Replacement will not be the economic equivalent of U.S. Dollar LIBOR or SOFR (as the case may be), there can be no assurance that the Benchmark Replacement will perform in the same way as U.S. Dollar LIBOR or SOFR (as the case may be) would have at any time and there is no guarantee that the Benchmark Replacement will be a comparable substitute for U.S. Dollar LIBOR or SOFR (each of which means that a Benchmark Transition Event could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder 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 the Noteholder's interests in doing so.

For example, in the case of Notes that initially reference U.S. Dollar LIBOR, if the Benchmark Replacement is a Fallback Term SOFR or Fallback Compounded SOFR, as adjusted as described herein, the composition and characteristics of SOFR are not the same as those of U.S. Dollar LIBOR and the Benchmark Replacement, as so adjusted, will not be the economic equivalent of U.S. Dollar LIBOR. Furthermore, a Benchmark Replacement of Fallback Term SOFR (if developed and selected or recommended by the ARRC) or Fallback Compounded SOFR, even with the application of a Benchmark Replacement Adjustment and any implementation of Benchmark Replacement Conforming Changes, will not have the same composition and characteristics as those of LIBOR and there is no guarantee that such Benchmark Replacement, as so adjusted, will be suitable as a substitute for LIBOR. For additional information regarding SOFR, see "*Secured Overnight Financing Rate*" above.

See also "*Risk Factors Relating to the Program Securities—Reform of LIBOR and EURIBOR and Other Interest Rate Index and Equity, Commodity and Foreign Exchange Rate Index "Benchmarks"*", "*—Expected replacement of London Interbank Offered Rate and replacement or reform of other interest rates could adversely affect our business, financial condition and results of operations*" and "*—LIBOR, EURIBOR and other interest rate benchmark discontinuance, prohibition on use or reform may lead to adjustments to the terms of the Notes or an early redemption of the Notes*" above.

Fallback arrangements - general

The application of any of these fallbacks may adversely affect the value of the Noteholder's investment in the Notes.

If neither of the fallbacks described above in "*Fallback arrangements under English Law Notes where (i) the Relevant Rates Benchmark is other than U.S. Dollar LIBOR or SOFR, and (ii) the provisions of Condition 6.14 (Relevant Rates Benchmark Discontinuance or Prohibition on Use) are applicable*" or "*Fallback arrangements under English Law Notes and New York Law Notes where the Relevant Rates Benchmark or the Base Rate (as applicable) is U.S. Dollar LIBOR or SOFR*" applies, and (a) LIBOR, EURIBOR or SONIA has been permanently discontinued or (b) where the Relevant Rates Benchmark is a LIBOR (other than U.S. Dollar LIBOR), a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Rates Benchmark announcing that the Relevant Rates Benchmark is no longer representative occurs, the Determination Agent will use, as a substitute for LIBOR, EURIBOR or SONIA, and for each future Interest Determination Date, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction of the applicable index currency that is consistent with accepted market practice. The Determination Agent will also make other adjustments to the Notes, including to the new rate and to the Margin or Spread, which are consistent with accepted market practice for the use of such alternative rate for debt obligations such as the Notes. However, in the case of EURIBOR only, if the Determination Agent determines that no such alternative rate exists on the relevant date, it will make a determination of an alternative rate as a substitute for EURIBOR, for debt obligations such as the Notes, as well as other adjustments to the Notes, including to the new rate and to the Margin or Spread, that is consistent with accepted market practice.

The replacement of LIBOR, EURIBOR or SONIA by an alternative rate and the making of other adjustments to the Notes and other determinations, decisions or elections that may be made under the terms of the Notes in connection with the replacement of LIBOR, EURIBOR or SONIA could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes.

Any determination or decision described above will be made in the Determination Agent's discretion (after consultation with the Issuer).

Potential investors in any Notes that reference LIBOR, EURIBOR or SONIA should be aware that (i) the composition and characteristics of the alternative rate will not be the same as those of the Relevant Rates Benchmark or Base Rate (as applicable) which it replaces, the alternative rate will not be the economic equivalent of the Relevant Rates Benchmark or Base Rate (as applicable) that it replaces, there can be no assurance that the alternative rate will perform in the same way as the Relevant Rates Benchmark or Base Rate (as applicable) that it replaces would have at any time and there is no guarantee that the alternative rate will be a comparable substitute for the Relevant Rates Benchmark or Base Rate (as applicable) which it replaces, (each of which means that the replacement of the Relevant Rates Benchmark or Base Rate (as applicable) by the alternative rate could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes), (ii) any failure of the alternative rate to gain market acceptance could adversely affect the Notes, (iii) the alternative rate may have a very limited history and the future performance of the alternative rate cannot be predicted based on historical performance, (iv) the secondary trading market for Notes linked to the alternative rate may be limited and (v) the administrator of the alternative rate may make changes that could change the value of the alternative rate or discontinue the alternative rate and has no obligation to consider the Noteholder's interests in doing so.

Specific risks relating to Notes referencing SOFR or SONIA

The following sets out a number of additional risks specific to Notes that reference either SOFR or SONIA.

SOFR and (reformed) SONIA have limited histories; the future performance of SOFR or SONIA cannot be predicted based on historical performance.

The publication of SOFR began on 3 April 2018 and it therefore has a very limited history. The publication of SONIA on the basis of its present methodology began on 24 April 2018. In addition, the future performance of SOFR or SONIA (as the case may be) cannot be predicted based on the limited historical performance. The level of SOFR or SONIA (as the case may be) during the term of the Notes may bear little or no relation to its historical level. Prior observed patterns, if any, in the behaviour of market variables and their relation to SOFR or SONIA (as the case may be), such as correlations, may change in the future. In the case of SOFR, while some pre-publication historical data have been released by the Federal Reserve Bank of New York (the "**New York Federal Reserve**"), such analysis inherently involves assumptions, estimates and approximations. The future performance of SOFR or SONIA (as the case may be) is impossible to predict and therefore no future performance of SOFR or SONIA or the Notes may be inferred from any of the historical performance or (in the case of SOFR) historical simulations. Hypothetical or historical performance data are not indicative of, and have no bearing on, the potential performance of SOFR or SONIA or the Notes. Changes in the levels of SOFR or SONIA (as the case may be) 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 SOFR or SONIA (as the case may be) will be positive.

The composition and characteristics of SOFR or SONIA are not the same as those of LIBOR and there is no guarantee that either compounded SOFR or compounded SONIA is a comparable substitute for LIBOR.

In April 2017 the Working Group on Sterling Risk-Free Reference Rates announced SONIA as its preferred risk-free rate for sterling. In June 2017, the ARRC announced SOFR as its recommended alternative to U.S. Dollar LIBOR. However, the composition and characteristics of SOFR and SONIA 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, while LIBOR represents interbank funding over different maturities.

SONIA is a measure of the rate at which interest is paid on sterling short-term wholesale funds in

circumstances where credit, liquidity and other risks are minimal. While SONIA and LIBOR are both unsecured rates, SONIA is solely an overnight rate unlike LIBOR which represents interbank funding over different maturities.

As a result, there can be no assurance that either SOFR or SONIA 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 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmark or other market rates. For additional information regarding SOFR, see "Secured Overnight Financing Rate" above.

The secondary trading market for Notes linked to SOFR or SONIA may be limited.

Since SOFR is a relatively new market rate, and reformed SONIA has also recently been adopted as a benchmark rate for bonds, the trading market in debt securities such as the Notes may not develop or may not be very liquid. Market terms for debt securities linked to SOFR or SONIA (such as the Notes) 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 SOFR or SONIA. Similarly, if SOFR or SONIA 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 SOFR or SONIA. As a result, investors may suffer from increased pricing volatility and market risk.

The administrator of SOFR or SONIA may make changes that could change the value of the benchmark or discontinue the benchmark and has no obligation to consider Noteholders' interests in doing so.

The New York Federal Reserve (or a successor), as administrator of SOFR, or the Bank of England (or a successor), as administrator of SONIA, may make methodological or other changes that could change the value of SOFR or SONIA (as the case may be), including changes related to the method by which the relevant rate is calculated, eligibility criteria applicable to the transactions used to calculate the relevant rate , or timing related to the publication of the relevant rate. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SOFR or SONIA as applicable (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider Noteholders' interests in calculating, adjusting, converting, revising or discontinuing the relevant rate and any such calculations, adjustments, conversion, revision or discontinuation could adversely affect the return on the Notes, the value of the Notes and the price at which the Noteholder can sell such Notes.

The interest rate on the Notes is based on a daily compounded SOFR or daily compounded SONIA rate, which is relatively new in the marketplace; different conventions exist for calculating interest on SOFR and SONIA-linked Notes

For each Interest Period for Notes linked to SOFR or SONIA, the interest rate on the Notes is based on a daily compounded SOFR or SONIA rate calculated using the specific formula specified in the Conditions and the Issue Terms, not the SOFR rate or SONIA rate published on or in respect of a particular date during such Interest Period, or an average of SOFR or SONIA rates during such period. For this and other reasons, the interest rate on the Notes during any Interest Period will not be the same as the interest rate on other investments linked to SOFR or SONIA (as applicable) that use an alternative basis to determine the applicable interest rate. Further, if the SOFR rate or SONIA rate (as the case may be) in respect of a particular date during an Interest Period is negative, the portion of the accrued compounded interest compounding factor specifically attributable to such date will be less than one, resulting in a reduction to the accrued interest compounding factor used to calculate the interest payable on the Notes on the Interest Payment Date for such Interest Period.

Very limited market precedent exists for securities that use SOFR as the interest rate and, in addition, for both SOFR and SONIA, different market conventions exist for calculating interest on debt securities. Accordingly, the specific formula for the daily compounded SOFR rate or SONIA rate (as the case may be) used in the Notes may not be widely adopted by other market participants, if at all. If the market adopts a different convention for calculating interest, that would likely adversely affect the market value of such Notes.

The amount of interest payable with respect to each Interest Period will be determined near the end of the Interest Period.

The amount of interest payable with respect to such Interest Period will be determined on a date near the end of such Interest Period, Noteholders will not know the amount of interest payable with respect to each such Interest Period until shortly prior to the related Interest Payment Date and it may be difficult for Noteholders to reliably estimate the amount of interest that will be payable on each such Interest Payment Date.

The Issuer, its subsidiaries or affiliates may publish research that could affect the market value of the Notes. They also may hedge the Issuer's obligations under such 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, or the LIBOR transition or SOFR or SONIA specifically. 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 such Notes. In addition, the issuer's subsidiaries may hedge the Issuer's obligations under the Notes and they may realize a profit from that hedging activity even if investors do not receive a favourable investment return under the terms of such Notes or in any secondary market transaction.

Reliance on third parties

Each of SOFR and SONIA is published and calculated by third parties based on data received from other sources and none of the Issuer, the Determination Agent or the Calculation Agent has any control over the determinations, calculations or publications of any such third parties.

Market Adoption

The market or a significant part thereof may adopt an application of SOFR or SONIA (one using a different convention to calculating interest including using a SOFR or SONIA index or a screen based rate) that differs significantly from that set out in the Conditions and used in relation to Notes that reference a risk-free rate issued under this Base Prospectus and this may adversely affect the value of the Notes.

Potential investors in the Notes should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes.

Additional Risks relating to SOFR-linked Notes

Any failure of SOFR to gain market acceptance could adversely affect Notes linked to SOFR.

SOFR may fail to gain market acceptance. SOFR was developed for use in certain U.S. dollar derivatives and other financial contracts as an alternative to U.S. Dollar LIBOR in part because it is considered a good representation of general funding conditions in the overnight Treasury repo market. However, as a rate based on transactions secured by U.S. Treasury securities, it does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. This may mean that market participants would not consider SOFR a suitable substitute or successor for all of the purposes for which LIBOR historically has been used (including, without limitation, as a representation of the unsecured short-term funding costs of banks), which may, in turn, lessen market acceptance of SOFR. Any failure of SOFR to gain market acceptance could adversely affect the return on the Notes and the price at which the Noteholder can sell such Notes.

In determining the SOFR Accrued Interest Compounding Factor for the final Interest Period, the level of SOFR for any day from and including the SOFR Rate Cut-Off Date to but excluding the Maturity Date or redemption date, as applicable, will be the level of SOFR in respect of such SOFR Rate Cut-off Date.

For the final Interest Period, because the level of SOFR for any day from and including the SOFR Rate Cut-off Date to but excluding the Maturity Date or redemption date, as applicable, will be the level of SOFR in respect of such SOFR Rate Cut-Off Date, Noteholders will not receive the benefit of any increase in the level in respect of SOFR beyond the level for such date in connection with the determination of the interest payable with respect to such Interest Period, which could adversely impact the amount of interest payable with respect to that Interest Period.

Prospective investors should review the Conditions to ascertain whether and how such provisions apply to the Notes and what constitutes an Administrator/Benchmark Event.

Administrator/Benchmark Events

Where the Relevant Underlying or otherwise any variable by reference to which interest, principal or other amounts payable under the Program Securities is a "Relevant Benchmark" for the purposes of the Conditions, the administrator or sponsor (or the Relevant Benchmark) may be required to be authorised, registered, recognised, endorsed or otherwise included in an official register in order for the Issuer, the Determination Agent or the Calculation Agent to be permitted to use the Relevant Benchmark and perform their respective obligations under the Program Securities. If the Determination Agent determines that such a requirement applies to the administrator or sponsor (or the Relevant Benchmark) but it has not been satisfied then an "Administrator/Benchmark Event" will occur and the Determination Agent or the Issuer may then apply certain fallbacks. For the avoidance of doubt, Administrator/Benchmark Events shall not apply where the Relevant Rates Benchmark or Base Rate (as applicable) is U.S. Dollar LIBOR or SOFR.

In the case where the Program Securities reference a Relevant Equity Index Benchmark, a Relevant Commodity Benchmark that is a Commodity Index or a Relevant Property Index Benchmark, these fallbacks may include one or more of the Determination Agent replacing the Relevant Equity Index Benchmark, the Relevant Commodity Benchmark or the Relevant Property Index Benchmark with any "Alternative Pre-nominated Index" which has been specified in the applicable Pricing Supplement, making adjustments to the amounts payable by the Issuer under the Program Securities, adjusting the other terms and conditions of the Program Securities or the Issuer redeeming the Program Securities.

In the case where the Program Securities reference a Relevant Commodity Benchmark (other than a Commodity Index) the fallbacks may include the Determination Agent making a determination of the Relevant Underlying Value by reference to a fallback reference price, postponing the Pricing Date, determining the Relevant Underlying Value on the basis of quotations provided to the Determination Agent by each of the Reference Dealers, the Determination Agent otherwise determining, in its reasonable discretion, the Relevant Underlying Value (or a method for determining the Relevant Underlying Value), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that it deems relevant, or the Issuer redeeming the Program Securities.

In the case where the Program Securities reference a Relevant FX Benchmark the fallbacks may include the Determination Agent making a determination of the Settlement Rate or using a fallback reference price to determine the Settlement Rate, or the Issuer redeeming the Program Securities.

In the case where Program Securities which are Notes reference a Relevant Rates Benchmark or Base Rate (as applicable), the fallbacks summarised in the risk factor entitled "*LIBOR, EURIBOR and other benchmark rate discontinuance or prohibition on use may lead to adjustments to the terms of the Notes or an early redemption of the Notes*" above will apply. Holders of the Program Securities should be aware that such adjustments to the terms of the Program Securities or early redemption of the Program Securities may adversely impact the return on and value of the Program Securities.

DISCLAIMERS

The Issuers and the Distribution Agents disclaim any responsibility to advise prospective purchasers of any matters arising under the laws of the country in which such prospective investors reside that may affect the purchase of, or holding of, or the receipt of payments on the Program Securities. These persons should consult their own legal and financial advisors concerning these matters.

1. ***General Disclaimers***

1.1 ***Issuers' credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to the Issuers. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Program Securities. A credit rating is not a recommendation to buy, sell or hold Program Securities and may be revised or withdrawn by the rating agency at any time.

1.2 ***Change of law***

The Conditions of the Program Securities are based on English law or New York law (as applicable) in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law, New York law or administrative practice in England or the State of New York after the date of this Offering Circular.

1.3 ***Independent review and advice***

Investors should consult their financial and legal advisors as to any specific risks entailed by an investment in Program Securities that are denominated or payable in, or the payment of which is linked to the value of, a currency other than the currency of the country in which such investor resides or in which such investor conducts its business, which is referred to as their home currency. Such Program Securities are not appropriate investments for investors who are not sophisticated in foreign currency transactions.

Each prospective investor must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Program Securities is (i) fully consistent with its (or if it is acquiring the Program Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Program Securities as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Program Securities in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Program Securities. Each Issuer disclaims any responsibility to advise prospective investors of any matters arising under the law of the country in which such prospective investors reside that may affect the purchase of, or holding of, or the receipt of payments or deliveries on the Program Securities.

1.4 ***Selling Agent remuneration***

Each Issuer may enter into distribution agreements with various financial institutions and other intermediaries as determined by the applicable Issuer (each, a "**Selling Agent**"). Each Selling Agent will agree, subject to the satisfaction of certain conditions, to subscribe for the Program Securities at a price equivalent to or below the Issue Price. Any difference between the price at which the Selling Agent subscribes the Program Securities and the price at which the Selling Agent sells the Program Securities to investors will be a remuneration of the Selling Agent. In addition, a periodic fee may also be payable to the Selling Agents in respect of all outstanding Program Securities up to and including the maturity date at a rate determined by the applicable Issuer and which may vary from time to time. Any remuneration received by the Selling Agent including any periodic payments may influence the Selling Agent's recommendation of the Program Securities to potential investors and may also increase the purchase price to be paid by the investor. Each Selling Agent will agree to comply with the selling restrictions set out in the document as amended and supplemented by the additional selling restrictions set out in the relevant distribution agreements.

1.5 ***Program Securities in Global Form***

Reliance on Euroclear and Clearstream, Luxembourg. Because the Registered Global Instruments (as defined below) may be held by or on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or any other clearing system as may be specified in the applicable Pricing Supplement (such system or systems hereinafter referred to as the "**Relevant Clearing System**"), investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer.

Program Securities issued in registered form will be represented by interests in a permanent global registered instrument (each a "**Registered Global Instrument**"). Such Registered Global Instruments will be registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

Interests in the Registered Global Instruments will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and its direct and indirect participants, including depositaries for Euroclear and Clearstream, Luxembourg, as the case may be.

While the Program Securities are represented by one or more Registered Global Instruments, the Issuer will discharge its payment obligations under the Program Securities by making payments through the Relevant Clearing System for distribution to their account holders. A holder of an interest in a Registered Global Instrument must rely on the procedures of the Relevant Clearing System to receive payments under the relevant Program Securities. Neither the relevant Issuer nor the Guarantor has responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Registered Global Instruments.

Holders of beneficial interests in the Registered Global Instruments will not have a direct right to vote in respect of the relevant Program Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the Relevant Clearing System to appoint appropriate proxies.

1.6 ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent (i) Program Securities are legal investments for it, (ii) Program Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Program Securities. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Program Securities under any applicable risk based capital or similar rules.

1.7 ***Discretionary determinations***

The Issuer and the Determination Agent have certain discretions under the terms of the Program Securities following events or circumstances occurring in relation to a Relevant Underlying or Relevant Factor, including to defer valuations, make adjustments to the terms and conditions of such Program Securities and/or to redeem or cancel such Program Securities other than on the originally designated date of redemption or cancellation. Such discretion is necessary as such events and circumstances may not be foreseen at the Trade Date of the relevant Program Securities but impact the economic or other terms of the Program Securities. For example, it may not be reasonably practicable or appropriate for certain valuations to be carried out in relation to the Program Securities without the exercise of the discretion. Furthermore, such events and circumstances may not be reflected in the pricing of the Program Securities and/or any arrangements entered into by the Issuer and/or any of its Affiliates to hedge obligations under Program Securities and, accordingly, without such discretion to adjust the terms of the Program Securities the Issuer may not have been able to issue the Program Securities on the terms applicable on the Issue Date or at all.

2. ***Disclaimers linked with the Relevant Underlying***

2.1 ***No affiliation with underlying companies***

The underlying share issuer for any single security or basket security, ETF or other fund or any Fund Advisor, the publisher of an underlying index, the sponsor of a futures contract, or any specified entity with respect to Credit-Linked Notes, will not be an affiliate of Morgan Stanley, MSI plc, MSBV or MSFL, unless otherwise specified in the applicable Pricing Supplement. Morgan Stanley or its subsidiaries may presently or from time to time engage in business with any underlying company, fund or any specified entity, including entering into loans with, or making equity investments in, the underlying company, fund or specified entity, or its affiliates or subsidiaries or providing investment advisory services to the underlying company, fund or specified entity, including merger and acquisition advisory services. Moreover, no Issuer has the ability to control or predict the actions of the underlying company, fund, index publisher, futures contract sponsor or specified entity, including any actions, or reconstitution of index components, of the type that would require the Determination Agent to adjust the payout to the investor at maturity. No underlying company, fund or Fund Advisor, index publisher, futures contract sponsor or specified entity, for any issuance of Program Securities is involved in the offering of the Program Securities in any way or has any obligation to consider the investor's interest as an owner of the Program Securities in taking any corporate actions that might affect the value of the Program Securities. None of the money an investor pays for the Program Securities will go to the underlying company, fund or Fund Advisor or specified entity, for such Program Securities.

2.2 ***Provision of information***

None of the Issuers or any of their Affiliates makes any representation as to the issuer for any single security or basket security, fund or Fund Service Provider, the publisher of an underlying index, the sponsor of any futures contract, or any specified entity with respect to Credit-Linked Notes. Any of such persons may have acquired, or during the term of the Program Securities may acquire, non-public information with respect to any such issuer, publisher, sponsor or specified entity, their respective affiliates or any guarantors that is or may be material in the context of the Program Securities. The issue of Program Securities will not create any obligation on the part of any such persons to disclose to the Noteholders and Securityholders or any other party such information (whether or not confidential).

2.3 ***Disclosure***

None of the issuer of any single security or basket security, an ETF, other fund or underlying asset, any Fund Service Provider, the publisher of an underlying index (including, without limitation, Morgan Stanley or any of its affiliates where such Morgan Stanley entity is the sponsor of any proprietary index), the sponsor of any futures contract, nor any specified entity with respect to Credit-Linked Notes has participated in the preparation of this document or in establishing the Conditions of the Program Securities and none of the Issuers nor any of their Affiliates will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer, ETF, other fund, underlying asset, Fund Service Provider, publisher, sponsor or specified entity contained in this document or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the issue date (including events that would affect the accuracy or completeness of any publicly available information described in this document) that would affect the trading price and/or level of the Relevant Underlying or Relevant Factor will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer, ETF, other fund, underlying asset, Fund Service Provider, publisher, sponsor or specified entity could affect the trading price and/or level of the Relevant Underlying or Relevant Factor and therefore the trading price of the Program Securities.

2.4 ***Program Securities are not sold or promoted by an index or the sponsor of such index***

Except where an index is a proprietary index, Program Securities linked to an index are not sponsored, endorsed, sold, or promoted by such index or the sponsor of such index. The sponsor of an index makes no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of such index or the levels at which such index stands at any particular time on any particular date. Neither an index nor sponsor of such index shall be liable (whether in negligence or otherwise) to any person for any error in such index. A sponsor of an index is under no obligation to advise any person of any error in such index. A sponsor of an index does not make

any representation whatsoever, whether express or implied, as to the advisability of investing or assuming any risk in connection with the Program Securities linked to such index.

2.5 ***The relevant Issuer, Morgan Stanley or any of Morgan Stanley's affiliates are not liable for the actions or omissions of the sponsor of an index, any information concerning an index, the performance of such index or use thereof in connection with the Program Securities***

The relevant Issuer, Morgan Stanley or any of Morgan Stanley's affiliates are not liable to the holders of Program Securities for any act or failure to act by a sponsor of an index in connection with the calculation, adjustment, or maintenance of such index. Although the Determination Agent, as applicable, will obtain information concerning an index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty, or undertaking (express or implied) is made and no responsibility is accepted by the relevant Issuer, Morgan Stanley or any of Morgan Stanley's affiliates, or the Determination Agent as to the accuracy, completeness, and timeliness of information concerning such index. In addition, the relevant Issuer, Morgan Stanley or any of Morgan Stanley's affiliates, or the Determination Agent makes no representation whatsoever, whether express or implied, as to the performance of any index which is linked to the Program Securities, any data included in, or omitted from, such index, or the use of such index in connection with such Program Securities.

3. ***Representations and acknowledgments by Noteholders and Securityholders***

3.1 *Representations and acknowledgments by Noteholders and Securityholders.* Each Noteholder and Securityholder shall be deemed to represent and acknowledge to the relevant Issuer on acquiring any Program Security that:

(a) none of the Issuers, any of their Affiliates nor any of their agents is acting as a fiduciary for it or provides investment, tax, accounting, legal or other advice in respect of the Program Securities and that such holder and its advisors are not relying on any communication (written or oral and including, without limitation, opinions of third party advisors) of the Issuers or any of their Affiliates as (a) legal, regulatory, tax, business, investment, financial, accounting or other advice, (b) a recommendation to invest in any Program Securities or (c) an assurance or guarantee as to the expected results of an investment in the Program Securities (it being understood that information and explanations related to the terms and conditions of the Program Securities shall not be considered to be any such advice, recommendation, assurance or guarantee and should be independently confirmed by the recipient and its advisors prior to making any such investment);

(b) such Program Security holder (a) has consulted with its own legal, regulatory, tax, business, investments, financial and accounting advisors to the extent that it has deemed necessary, and has made its own investment, 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 Issuers or any of their Affiliates or any of their agents and (b) is acquiring Program Securities with an understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks; and

(c) the Issuers and/or any of their Affiliates may have banking or other commercial relationships with issuers of any securities to which the Program Securities relate and may engage in proprietary trading in any equity securities, indices or other property to which the Program Securities relate or options, futures, derivatives or other instruments relating thereto (including such trading as the Issuers and/or any of their Affiliates deem appropriate in their reasonable discretion to hedge the market risk on the Program Securities and other transactions between the Issuers and/or any of their Affiliates and any third parties), and that such trading (a) may affect the price or level thereof and consequently the amounts payable under the Program Securities and (b) may be effected at any time.

3.2 *Representations and acknowledgments by Noteholders and Securityholders in respect of Program Securities linked to Shares which are eligible to be traded through the China Connect Service.*

Each Noteholder and Securityholder shall be deemed to represent, acknowledge and undertake to the relevant Issuer on acquiring any Program Security that:

(a) without prejudice to the generality of any applicable law, the Noteholder or Securityholder (as applicable) expressly consents to the disclosure by the Issuer or its Affiliates to the relevant authorities in the jurisdiction of the incorporation or organisation of the issuer of the relevant shares (a "**Relevant Jurisdiction**"), the jurisdiction in which the Exchange is located (the "**Local Jurisdiction**"), a jurisdiction in which the SEHK is located (a "**CCS Jurisdiction**") or any jurisdiction of tax residence of the issuer of the Shares (a "**Tax Residence Jurisdiction**"), information relating to these Program Securities, including the name of the Noteholder or Securityholder (as applicable) in order for the Issuer or any of its Affiliates to comply with laws and regulations of the Relevant Jurisdiction, the Local Jurisdiction, the CCS Jurisdiction or Tax Residence Jurisdiction that are applicable to the Issuer or its Affiliate in connection with their dealings in the underlying;

(b) the Noteholder or Securityholder (as applicable) acknowledges that, in the case of an individual, it is not a person who is a citizen of PRC and does not have permanent right of abode in a jurisdiction outside PRC, or in the case of an entity, either (x) it is not incorporated or registered under the laws of PRC or (y) it will purchase and hold the Program Securities pursuant to any program approved by, or approval of or registration with, any competent PRC regulator; and

(c) the Noteholder or Securityholder (as applicable) will use funds lawfully owned by it and located outside PRC to purchase the Program Securities unless it will purchase the Program Securities pursuant to any program approved by, or approval of or registration with, any competent PRC regulator.

CONFLICTS OF INTEREST

1. ***Potential conflicts of interest between the investor and the Determination Agent***

Potential conflicts of interest may exist between the investor and the Determination Agent, which may be an affiliate of the Issuer and the Guarantor, if applicable. Certain determinations made by the Determination Agent may require it to exercise discretion and make subjective judgments. As Determination Agent for Program Securities linked to a single security, index, futures contract, ETF or other fund or a basket of securities, indices, futures contracts, ETFs or other funds, Credit-Linked Notes, or Program Securities linked to commodities or other underlying instruments, assets or obligations, Morgan Stanley & Co. International plc (unless otherwise specified) will determine the payout to the investor at maturity. Morgan Stanley & Co. International plc and other affiliates may also carry out hedging activities related to any Program Securities linked to a single security, index, futures contract, ETF or other fund or a basket of securities, indices, futures contracts, ETFs, other funds, Credit-Linked Notes, or Program Securities linked to commodities or to other instruments, assets or obligations including trading in the underlying securities, indices, futures contracts, ETFs or commodities as well as in other instruments related to the underlying securities, indices, futures contracts, ETFs or commodities. Morgan Stanley & Co. International plc and some of Morgan Stanley's other subsidiaries may also trade the applicable underlying securities, indices, futures contracts or commodities and other financial instruments related to the underlying securities, indices, futures contracts or commodities on a regular basis as part of their general broker dealer and other businesses. Any of these activities could influence the Determination Agent's potentially subjective determination of adjustments made to any Program Securities linked to a single security, index, futures contract, ETF or other fund or a basket of securities, indices, futures contracts, ETFs or other funds, Credit-Linked Notes, or Program Securities linked to commodities or other underlying instruments, assets or obligations and any such trading activity could potentially affect the price of the underlying securities, indices, futures contracts, ETFs, other funds, commodities or other underlying instruments, assets or obligations and, accordingly, could affect the investor's payout on any Program Securities.

2. ***Actions taken by the Determination Agent may affect the Relevant Underlying or Relevant Factor***

The Determination Agent may make such adjustments as it considers appropriate as a consequence of certain corporate actions affecting the Relevant Underlying or Relevant Factor. In making these adjustments the Determination Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest, including the conflicts of interest highlighted above, in exercising this discretion. The Determination Agent is not required but has the discretion to make adjustments with respect to each and every corporate action. These potentially subjective determinations may adversely affect the amount payable to the investor.

3. ***Where Morgan Stanley or an affiliate of Morgan Stanley is the sponsor or calculation agent in respect of a proprietary index, Morgan Stanley has the authority to make determinations that could materially affect such an index and create conflicts of interest***

Where Morgan Stanley or an affiliate of Morgan Stanley is the sponsor of the proprietary index and/or, if applicable, the calculation agent of such an index, Morgan Stanley does not generally exercise any discretion in relation to the operation of the index. Morgan Stanley owes no fiduciary duties in respect of such index. Morgan Stanley may, however, exercise discretion in certain limited situations including, but not limited to, those situations described in any description of the relevant index. Determinations made by Morgan Stanley as the sponsor and, if applicable, calculation agent of such a proprietary index could adversely affect the level of such index and the exercise by Morgan Stanley of its discretion could present it with a conflict of interest. Subject as provided in the Index Rules in respect of a Proprietary Index, in making those determinations, the sponsor and/or the calculation agent, as applicable, of such index will not be required to, and will not, take the interests of any investor of any product that references such index into account or consider the effect its determinations will have on the value of such a product. All determinations made by relevant sponsor and/or the calculation agent shall be (including, without limitation, any Program Securities) conclusive for all purposes and will bind all holders of any products linked to such an index. The index sponsor and/or the calculation agent shall not have any liability for such determinations.

4. ***Potential Conflicts of Interest in respect of Preference Shares***

The calculation agent in respect of the Preference Shares (the "**Preference Share Calculation Agent**") is a member of the Morgan Stanley Group. As a result, potential conflicts of interest may arise in acting in its capacity as Preference Share Calculation Agent and other capacities in which it acts under the Preference Share-Linked Notes. Subject to any relevant regulatory obligations, the Preference Share Calculation Agent owes no duty or responsibility to any Noteholder to avoid any conflict or to act in the interests of any Noteholder. The Preference Share Issuer may also rely on members of Morgan Stanley (including the Preference Share Calculation Agent) or other service providers to perform its operational requirements. In the event any relevant Morgan Stanley entities or other service providers fail to perform any obligations, this may adversely affect the value of the Preference Shares and potentially the amounts payable under the Preference Share-Linked Notes. In addition to providing calculation agency services to the Preference Share Issuer, Morgan Stanley or any of its affiliates may perform further or alternative roles relating to the Preference Share Issuer and any series of the Preference Shares including, but not limited to, for example, being involved in arrangements relating to any of the underlying reference assets (for example as a calculation agent). Further, Morgan Stanley or any of its affiliates may contract with the Preference Share Issuer and/or enter into transactions, including hedging transactions, which relate to the Preference Share Issuer or the Preference Shares and as a result Morgan Stanley may face a conflict between its obligations as Preference Share Calculation Agent and its and/or its affiliates' interests in other capacities.

WHERE THE INVESTOR CAN FIND MORE INFORMATION ABOUT MORGAN STANLEY

Morgan Stanley files annual, quarterly and current reports, proxy statements and other information with the United States Securities and Exchange Commission (the "**SEC**"). Investors may read and copy any document that Morgan Stanley files with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at +1–800–SEC–0330 for information on the public reference room. The SEC maintains an internet site that contains annual, quarterly and current reports, proxy and information statements and other information that issuers (including Morgan Stanley) file electronically with the SEC. Morgan Stanley's electronic SEC filings are available to the public at the SEC's internet site www.sec.gov. Morgan Stanley also makes available, through its Investor Relations webpage, a link to the SEC's internet site. You can access Morgan Stanley's Investor Relations webpage at www.morganstanley.com/about-us-ir. The information contained on Morgan Stanley's website shall not form part of this Offering Circular, unless such information has been expressly incorporated herein.

INCORPORATION BY REFERENCE

The following documents and/or information shall be deemed to be incorporated in, and to form part of, this Offering Circular:

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1.	Registration Document of Morgan Stanley, MSI plc, MSBV and MSFL dated 13 December 2019	(1)	Risk Factors	3-20
		(2)	Information Incorporated by Reference	21-31
		(3)	Description of Morgan Stanley	32-59
		(4)	Financial Information	60-62
		(5)	Description of Morgan Stanley & Co. International plc	63-69
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		(7)	Description of Morgan Stanley Finance LLC	73-75
		(8)	Subsidiaries of Morgan Stanley as of 31 December 2018	76
		(9)	Index of Defined Terms	77
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2.	Proxy Statement dated 3 April 2020	(1)	Overview of Voting Items	5-9
		(2)	Corporate Governance Matters	10-39
		(3)	Audit Matters	40-43
		(4)	Compensation Matters	44-75
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		(7)	Information About the Annual Meeting	79-82

	Document filed	Information incorporated by reference		Page
3.	Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2020	(1)	Risk Factors	1
		(2)	Financial Information	2
		(3)	Management's Discussion and Analysis of Financial Condition and Results of Operations	2-27
		(4)	Quantitative and Qualitative Disclosures about Risk	28-37
		(5)	Report of Independent Registered Public Accounting Firm	38
		(6)	Consolidated Financial Statements and Notes	39-80
		(7)	Consolidated Income Statements (Unaudited)	39
		(8)	Consolidated Comprehensive Income Statements (Unaudited)	40
		(9)	Consolidated Balance Sheets (Unaudited at 31 March 2020)	41
		(10)	Consolidated Statements of Changes in Total Equity (Unaudited)	42
		(11)	Consolidated Cash Flow Statements (Unaudited)	43
		(12)	Notes to Consolidated Financial Statements (Unaudited)	44-80
		(13)	Financial Data Supplement (Unaudited)	81
		(14)	Glossary of Common Terms and Acronyms	82-83
		(15)	Other Information	84
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		(18)	Controls and Procedures	84
		(19)	Signatures	S-1

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4.	Annual Report on Form 10-K for the year ended 31 December 2019	(1)	Business	1-10
		(2)	Risk Factors	11-22
		(3)	Selected Financial Data	23
		(4)	Management's Discussion and Analysis of Financial Condition and Results of Operations	24-57
		(5)	Quantitative and Qualitative Disclosures about Risk	58-74
		(6)	Financial Statements and Supplementary Data	75-154
		(7)	Report of Independent Registered Public Accounting Firm	75-76
		(8)	Consolidated Income Statements	77
		(9)	Consolidated Comprehensive Income Statements	78
		(10)	Consolidated Balance Sheets	79
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		(12)	Consolidated Cash Flow Statements	81
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	(23)	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	164
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5.	Report and Financial Statements for the year ended 31 December 2019	(1)	Independent auditor's report	47-56
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		(4)	Consolidated and MSI plc statement of changes in equity	59-60
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		(7)	Notes to the consolidated and MSI plc financial statements	64-163
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6.	Report and Financial Statements for the year ended 31 December 2018	(1)	Independent auditor's report	44-54
		(2)	Consolidated income statement	55
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		(9)	MSI plc statement of changes in equity	173
		(10)	MSI plc statement of financial position	174
		(11)	Notes to MSI plc financial statements	175-229
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7.	Report and Financial Statements for the year ended 31 December 2019	(1)	Directors' responsibilities statement	12
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		(4)	Statement of financial position	15
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		(7)	Additional information	69
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8.	Report and Financial Statements for the year ended 31 December 2018	(1)	Directors' responsibilities statement	10
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9.	Annual financial report for the year ended 31 December 2019	(1)	Director’s responsibility statement	8
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		(4)	Statement of Financial Condition	11
		(5)	Statement of Comprehensive Income (Loss)	12
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11. The terms and conditions set out on pages 86 to 147 of the base prospectus for notes, series A and B dated 12 July 2006 relating to the Program under the heading "*Terms and Conditions of the English Law Notes*" (the "**2006 English Law Note Conditions**").

12. The terms and conditions set out on pages 94 to 157 of the base prospectus for notes, series A and B dated 22 June 2007 relating to the Program under the heading "*Terms and Conditions of the English Law Notes*" (the "**2007 English Law Note Conditions**").

13. The terms and conditions set out on pages 52 to 115 of the base prospectus for notes, series A and B dated 19 June 2008 relating to the Program under the heading "*Terms and Conditions of the English Law Notes*" (the "**2008 English Law Note Conditions**").

14. The terms and conditions set out on pages 51 to 109 of the base prospectus for notes, series A and B dated 17 June 2009 relating to the Program under the heading "*Terms and Conditions of the English Law Notes*" (the "**2009 English Law Note Conditions**").

15. The terms and conditions set out on pages 66 to 130 of the base prospectus for notes, series A and B, warrants and certificates dated 15 June 2010 relating to the Program under the heading "*Terms and Conditions of the English Law Notes*" (the "**2010 English Law Note Conditions**").

16. The terms and conditions set out on pages 72 to 157 of the base prospectus for notes, series A and B, warrants and certificates dated 10 June 2011 relating to the Program under the heading "*Terms and Conditions of the English Law Notes*" (the "**2011 English Law Note Conditions**").

17. The terms and conditions set out on pages 73 to 160 of the base prospectus for notes, series A and B, warrants and certificates dated 7 June 2012 relating to the Program under the heading "*Terms and Conditions of the English Law Notes*" (the "**2012 English Law Note Conditions**").

18. The terms and conditions set out on pages 77 to 168 of the offering circular for notes, warrants and certificates dated 27 June 2013 relating to the Program under the heading "*Terms and Conditions of the English Law Notes*" (the "**2013 English Law Note Conditions**").

19. The terms and conditions set out on pages 76 to 170 of the offering circular for notes, warrants and certificates dated 18 August 2014 relating to the Program under the heading "*Terms and Conditions of the English Law Notes*" (the "**2014 English Law Note Conditions**").

20. The terms and conditions set out on pages 79 to 178 of the offering circular for notes, warrants and certificates dated 17 August 2015 relating to the Program under the heading "*Terms and Conditions of the English Law Notes*" (the "**2015 English Law Note Conditions**").

21. The terms and conditions set out on pages 79 to 181 of the offering circular for notes, warrants and certificates dated 16 August 2016 relating to the Program under the heading "*Terms and Conditions of the English Law Notes*" (the "**2016 English Law Note Conditions**").

22. The terms and conditions set out on pages 82 to 185 of the offering circular for notes, warrants and certificates dated 30 June 2017 relating to the Program under the heading "*Terms and Conditions of the English Law Notes*" (the "**2017 English Law Note Conditions**").

23. The terms and conditions set out on pages 84 to 187 of the offering circular for notes, warrants and certificates dated 29 June 2018 relating to the Program under the heading "*Terms and Conditions of the English Law Notes*" (the "**2018 English Law Note Conditions**").

24. The terms and conditions set out on pages 96 to 240 of the offering circular for notes, warrants and certificates dated 28 June 2019 relating to the Program under the heading "*Terms and Conditions of the English Law Notes*" (the "**2019 English Law Note Conditions**").

25. The terms and conditions set out on pages 49 to 94 of the base prospectus in respect of the warrants and certificates dated 12 July 2006 relating to the Program under the heading "*Terms and Conditions of the Securities*" (the "**2006 Securities Conditions**").

26. The terms and conditions set out on pages 63 to 109 of the base prospectus in respect of the warrants and certificates dated 22 June 2007 relating to the Program under the heading "*Terms and Conditions of the Securities*" (the "**2007 Securities Conditions**").

27. The terms and conditions set out on pages 28 to 71 of the base prospectus in respect of the warrants and certificates dated 19 June 2008 relating to the Program under the heading "*Terms and Conditions of the Securities*" (the "**2008 Securities Conditions**").

28. The terms and conditions set out on pages 29 to 72 of the base prospectus in respect of the warrants and certificates dated 17 June 2009 relating to the Program under the heading "*Terms and Conditions of the Securities*" (the "**2009 Securities Conditions**").

29. The terms and conditions set out on pages 172 to 217 of the base prospectus for notes, series A and B, warrants and certificates dated 15 June 2010 relating to the Program under the heading

"*Terms and Conditions of the Warrants and Certificates*" (the "**2010 Warrants and Certificates Conditions**").

30. The terms and conditions set out on pages 209 to 280 of the base prospectus for notes, series A and B, warrants and certificates dated 10 June 2011 relating to the Program under the heading "*Terms and Conditions of the Warrants and Certificates*" (the "**2011 Warrants and Certificates Conditions**").

31. The terms and conditions set out on pages 211 to 285 of the base prospectus for notes, series A and B, warrants and certificates dated 7 June 2012 relating to the Program under the heading "*Terms and Conditions of the Warrants and Certificates*" (the "**2012 Warrants and Certificates Conditions**").

32. The terms and conditions set out on pages 217 to 297 of the offering circular for notes, warrants and certificates dated 27 June 2013 relating to the Program under the heading "*Terms and Conditions of the Warrants and Certificates*" (the "**2013 Warrants and Certificates Conditions**").

33. The terms and conditions set out on pages 217 to 302 of the offering circular for notes, warrants and certificates dated 18 August 2014 relating to the Program under the heading "*Terms and Conditions of the Warrants and Certificates*" (the "**2014 Warrants and Certificates Conditions**").

34. The terms and conditions set out on pages 229 to 317 of the offering circular for notes, warrants and certificates dated 17 August 2015 relating to the Program under the heading "*Terms and Conditions of the Warrants and Certificates*" (the "**2015 Warrants and Certificates Conditions**").

35. The terms and conditions set out on pages 232 to 325 of the offering circular for notes, warrants and certificates dated 16 August 2016 relating to the Program under the heading "*Terms and Conditions of the Warrants and Certificates*" (the "**2016 Warrants and Certificates Conditions**").

36. The terms and conditions set out on pages 239 to 333 of the offering circular for notes, warrants and certificates dated 30 June 2017 relating to the Program under the heading "*Terms and Conditions of the Warrants and Certificates*" (the "**2017 Warrants and Certificates Conditions**").

37. The terms and conditions set out on pages 242 to 334 of the offering circular for notes, warrants and certificates dated 29 June 2018 relating to the Program under the heading "*Terms and Conditions of the Warrants and Certificates*" (the "**2018 Warrants and Certificates Conditions**").

38. The terms and conditions set out on pages 303 to 433 of the offering circular for notes, warrants and certificates dated 28 June 2019 relating to the Program under the heading "*Terms and Conditions of the Warrants and Certificates*" (the "**2019 Warrants and Certificates Conditions**").

Any statement contained in this Offering Circular or any documents incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any document subsequently incorporated by reference and in respect of which a supplement to this Offering Circular is prepared modifies or supersedes such statement.

The information about Morgan Stanley, MSI plc, MSBV and MSFL incorporated by reference in this Offering Circular (the "**Incorporated Information**") is considered to be part of this Offering Circular. Following the publication of this Offering Circular a supplement may be prepared by the Issuer. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this

Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Any information or documents incorporated by reference into the documents listed above do not form part of this Offering Circular. Where only certain portions of the documents listed above have been incorporated by reference in this Offering Circular, such portions of these documents which are not so incorporated are either not relevant to the investor or are covered elsewhere in this Offering Circular or in the Registration Document (item 1 above).

The non-incorporated parts of the documents listed above are as follows:

	Document filed	Information not incorporated by reference	Page
	Morgan Stanley		
1.	Proxy Statement dated 3 April 2020	Notice of 2020 Annual Meeting of Shareholders	4
2.	Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2020	Exhibits	84
		Exhibit Index	84
3.	Annual Report on Form 10-K for the year ended 31 December 2019	Exhibits and Financial Statement Schedules	165
		Exhibit Index	165-169
	Morgan Stanley & Co. International plc		
1.	Report and Financial Statements for the year ended 31 December 2019	Strategic Report	1-37
		Directors' Report	43-46
2.	Report and Financial Statements for the year ended 31 December 2018	Strategic Report	3-39
		Directors' Report	40-43
	Morgan Stanley B.V.		
3.	Report and Financial Statements for the year ended 31 December 2019	Directors' report	1-11
4.	Report and Financial Statements for the year ended 31 December 2018	Directors' report	1-9
	Morgan Stanley Finance LLC		
5.	Annual financial report for the year ended 31 December 2019	Annual Directors' report	3-7

The Issuers will, at their registered offices and at the specified offices of the Paying Agents and Registrar, make available during normal business hours and free of charge (including at the offices of the Paying Agents), upon oral or written request, a copy of this Offering Circular (or any document incorporated by reference in this Offering Circular and any future filings or financial statements published by such Issuer). Written or oral requests for inspection of such documents should be directed to the specified office of any Paying Agent.

Copies of all of the documents incorporated by reference into this Offering Circular will be available on the Luxembourg Stock Exchange website (www.bourse.lu).

KEY FEATURES OF THE NEW YORK LAW NOTES

The following summary describes the key features of the New York Law Notes that Morgan Stanley is offering under the Program in general terms only. Investors should read the summary together with the more detailed information that is contained in this Offering Circular and in the applicable Pricing Supplement

Issuer:	Morgan Stanley.	
Distribution Agents:	Morgan Stanley & Co. International plc, which may act in whole or in part through an affiliate thereof, and Morgan Stanley & Co. LLC.	
Trustee:	The Bank of New York Mellon.	
Principal Paying Agent:	The Bank of New York Mellon.	
General Terms of the Notes:	(i)	Pricing Supplement will be produced in relation to each Tranche of Notes issued by Morgan Stanley (each, a "**Pricing Supplement**").
	(ii)	The Notes will bear interest at either a fixed rate or a floating rate, which, in either case, may be zero, or at a rate which varies during the lifetime of the relevant Notes, which will be specified in the applicable Pricing Supplement.
	(iii)	The Notes will mature on the date specified in the applicable Pricing Supplement.
	(iv)	The Notes may be either callable by Morgan Stanley or puttable by the holder of the Notes (the "**Noteholder**").
	(v)	The Notes may be optionally or mandatorily exchangeable for securities of an issuer that is not affiliated with Morgan Stanley, for a basket or index of those securities or for the cash value of those securities ("**Exchangeable Notes**").
	(vi)	Payments of principal, interest and/or supplemental amounts on the Notes may be linked to single securities, a single index, baskets of securities or indices ("**Equity-and Proprietary Index Linked Notes**"), to commodity prices ("**Commodity-Linked Notes**"), to currency prices ("**Currency-Linked Notes**"), to one or more inflation indices ("**Inflation-Linked Notes**"), to one or more property indices ("**Property-Linked Notes**"), to interests in a fund or basket of funds ("**Fund-Linked Notes**"), to single futures contracts or baskets of futures contracts ("**Futures Contract-Linked Notes**"), to one or more exchange-traded notes ("**ETN-Linked Notes**"), or to the credit of one or more specified entities not affiliated with Morgan Stanley ("**Credit-Linked Notes**").
	(vii)	Morgan Stanley may from time to time, without the consent of Noteholders, create and issue additional Notes having the same terms as Notes previously issued so that they may be combined with the earlier issuance.
	(viii)	All of the New York Law Notes issued under the Program will constitute a single series for purposes of certain votes required under the Indenture.

(ix) Morgan Stanley may issue Amortising Notes (as defined herein) that pay a level amount in respect of both interest and principal amortised over the life of the Notes.

Form of Notes: Morgan Stanley may issue Notes in registered form (the "**Registered Notes**"), which may be in global registered form or individual registered form.

Registered Notes will be in the form of either global registered notes or, individual note certificates, in each case as specified in the applicable Pricing Supplement. Each global registered note will be registered in the name of a common depositary for Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system as may be specified in the applicable Pricing Supplement (such system or systems hereinafter referred to as the "**Relevant Clearing System**") and the relevant global registered note will be deposited on or about the issue date with the common depositary or a custodian for the nominee.

Specified Currency: Notes may be denominated or payable in any currency, as set out in the applicable Pricing Supplement, subject to all applicable consents being obtained and compliance with all applicable legal and regulatory requirements.

Status: Notes will be direct and general obligations of Morgan Stanley.

Morgan Stanley intends that the Notes will, when issued, constitute "loss-absorbing capacity" within the meaning of the final rules issued by the Board of Governors of the Federal Reserve System and, accordingly, will have only those provisions described in this Offering Circular that will permit compliance thereof at such time of issuance. In this respect, Morgan Stanley is a parent holding company and has no operations and depends on dividends, distributions and other payments from its subsidiaries to fund its debt obligations (including Notes). Under a support agreement that Morgan Stanley has entered with its material subsidiaries, upon the occurrence of a resolution scenario, including a single-point-of-entry resolution strategy as contemplated in its resolution plan, Morgan Stanley would be obligated to contribute or loan on a subordinated basis all of its material assets, other than shares in its subsidiaries and certain intercompany payables, to provide capital and liquidity, as applicable, to its material subsidiaries. That obligation will be secured, in accordance with an amended and restated secured support agreement, on a senior basis by Morgan Stanley's assets (other than shares in its subsidiaries). As a result, claims of Morgan Stanley's material subsidiaries against its assets (other than shares in its subsidiaries) will be effectively senior to its unsecured obligations, including Notes which would be at risk of absorbing Morgan Stanley's and its subsidiaries' losses.

Issue Price: Notes may be issued at any price as specified in the applicable Pricing Supplement.

Maturities: Notes will have maturities as specified in the applicable Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by Morgan Stanley in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by Morgan Stanley in the United

	Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by Morgan Stanley.
Redemption:	Notes may be redeemed at par or at such other redemption amount (detailed in a formula or otherwise) or by the delivery of securities of an issuer that is not affiliated with Morgan Stanley, as may be specified in the applicable Pricing Supplement.
Early Redemption:	Early redemption will be permitted for taxation reasons as described in "*Description of New York Law Notes—Tax Redemption*", in certain circumstances if an Administrator/Benchmark Event or relevant adjustment events applicable to the Notes has occurred, or if an event of default has occurred in accordance with Condition 28 (*Events of Default*) in each case, of "*Terms and Conditions of the English Law Notes*" but will otherwise be permitted only to the extent specified in the applicable Pricing Supplement.
Denominations:	Notes will be issued in such denominations as may be specified in the applicable Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements.
Taxation:	Payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future Taxes (as defined herein) imposed or levied by or on behalf of the United States or any respective political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of those Taxes is required by law. In the case of payments by Morgan Stanley in respect of a Note, a beneficial owner of a Note that is not a U.S. person (or a financial institution holding a Note on behalf of the beneficial owner that is not a U.S. person) is required under current applicable law to furnish the appropriate IRS Form W-8BEN or W-8BEN-E on which a beneficial owner certifies under penalties of perjury that it is not a U.S. person. Other U.S. withholding taxes may apply in respect of a Note as described below under "United States Federal Taxation". In the event that withholding or deduction of Taxes imposed or levied by or on behalf of the United States or any respective political subdivision thereof or any authority or agency therein or thereof having power to tax is required by law on payments in respect of the Notes, Morgan Stanley will (if specified in the applicable Pricing Supplement and subject to customary exceptions) pay those Additional Amounts (as defined herein) as will result in the Noteholders who are U.S. Aliens receiving those amounts as they would have received in respect of the Notes had no withholding or deduction been required, but only if so specified in the applicable Pricing Supplement.
Benefit Plan Investors:	The Notes may not be acquired or held by, or acquired with the assets of, any employee benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), any individual retirement account or plan subject to section 4975 of the United States Internal Revenue Code of 1986, as amended, or any entity whose underlying assets include

	"plan assets" within the meaning of section 3(42) of ERISA by reason of any such employee benefit plan's, account's or plan's investment therein.
Use of Proceeds:	The net proceeds from the sale of Notes offered by this Offering Circular will be used by Morgan Stanley for general corporate purposes, in connection with hedging its obligations under the Notes, or both.
Listing:	The applicable Pricing Supplement will specify whether an issue of Series A Notes will be: (i) admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market; (ii) admitted to listing on the SIX Swiss Exchange and trading on the main segment of the SIX Swiss Exchange; (iii) admitted to the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's Euro MTF market; (iv) listed on the Global Market of the Gibraltar Stock Exchange; or (v) admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, as Morgan Stanley and any Distribution Agent may agree. The Series B Notes will not be admitted to listing, trading, and/or quotation by any listing authority, stock exchange and/or quotation system.
Clearing Systems:	Euroclear, Clearstream, Luxembourg, and/or any other clearing system as may be specified in the applicable Pricing Supplement.
Governing Law:	The Notes will be governed by the laws of the State of New York.
Selling Restrictions:	**The Notes may not be offered, sold or delivered at any time, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act).** 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, see "*Subscription and Sale*" and "*No Ownership by U.S. Persons*".

KEY FEATURES OF THE ENGLISH LAW NOTES

The following summary describes the key features of the English Law Notes that each Issuer is offering under the Program in general terms only. Investors should read the summary together with the more detailed information that is contained in this Offering Circular and in the applicable Pricing Supplement.

Issuers:	Morgan Stanley, MSI plc, MSBV, MSFL and any Additional Issuer.
Guarantor:	In the case of Notes issued by MSBV or an Additional Issuer, unless specified otherwise in the applicable Pricing Supplement or, in the case of an Additional Issuer, the accession agreement pursuant to which such Additional Issuer accedes to the Program, Morgan Stanley. In the case of Notes issued by MSFL, Morgan Stanley.
Distribution Agents:	Morgan Stanley & Co. International plc, which may act in whole or in part through an affiliate thereof, and Morgan Stanley & Co. LLC.
Fiscal Agent:	The Bank of New York Mellon.
Registrar and Transfer Agent:	The Bank of New York Mellon S.A./N.V., Luxembourg Branch.
Euroclear Registrar:	Computershare Investor Services (Guernsey) Limited.
Issuance in Series:	Notes will be issued in series (each, a "**Series**"). Each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches and each Series may comprise Notes of different denominations. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Form of Notes:	Morgan Stanley, MSI plc, MSBV, and MSFL may issue Notes in registered form ("**Registered Notes**"). In addition MSBV and MSI plc may also issue (i) Notes in dematerialised and uncertificated book-entry form with a Nordic central securities depositary ("**Nordic Notes**"), and (ii) Notes in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001 (as amended, modified or re-enacted) and such other regulations made under sections 783, 784(3), 785 and 788 of the UK Companies Act 2006 as are applicable to the Euroclear Registrar ("**Uncertificated Notes**"). *(i) Registered Notes* Registered Notes will be in the form of either individual note certificates or global registered notes, in each case as specified in the relevant Pricing Supplement. Each global note certificate will either be: (a) in the case of Registered Notes which are not to be held under the New Safekeeping Structure (as defined below), registered in the name of a nominee of a common depositary for the Relevant Clearing System and the relevant global note certificate will be deposited on or about the issue date with the common depositary; or (b) in the case of Registered Notes which are to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), registered in the name of a nominee of a common safekeeper for the Relevant Clearing System and the relevant global note certificate will be deposited on or about the issue date with the common safekeeper for the Relevant Clearing System.

(ii) Uncertificated Notes

Uncertificated Notes will be held in uncertificated form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "**Regulations**"). The Uncertificated Registered Notes are participating securities for the purposes of the Regulations. Title to the Uncertificated Notes is recorded on the relevant Operator register of eligible debt securities (as defined in the Regulations) and the relevant "Operator" (as such term is used in the Regulations) in Euroclear UK & Ireland Limited or any additional or alternative operator from time to time approved by the Issuer and the Euroclear Registrar and in accordance with the Regulations. Notes in definitive registered form will not be issued (either upon issue or in exchange for Uncertificated Notes).

The Euroclear Registrar will make all payments in respect of Uncertificated Notes.

Terms and Conditions: A Pricing Supplement will be prepared in respect of each Tranche of Notes (each, a "**Pricing Supplement**"). The terms and conditions applicable to each Tranche will be those set out herein under the heading "*Terms and Conditions of the English Law Notes*", as supplemented, modified or replaced, in each case, by the applicable Pricing Supplement.

If an Additional Issuer accedes to the Program, a supplement to the Offering Circular containing a full description of the Additional Issuer shall be prepared. The terms and conditions applicable to each Tranche issued by an Additional Issuer will be those set out in the relevant supplemental Offering Circular, as supplemented, modified or replaced by the applicable Pricing Supplement.

Any Issuer may issue Notes that are Equity and Proprietary Index-Linked Notes, Commodity-Linked Notes, Currency-Linked Notes, Inflation-Linked Notes, ETN-Linked Notes, Credit-Linked Notes, Property-Linked Notes, Fund-Linked Notes and Futures Contract-Linked Notes and / or any combination thereof (each as defined in Condition 9 (*Equity and Proprietary Index-Linked, Commodity-Linked, Currency-Linked, Inflation-Linked, Property-Linked, Fund-Linked, Futures-Contract Linked, ETN-Linked and Credit-Linked Notes*) of "*Terms and Conditions of the English Law Notes*".

Specified Currency: Notes may be denominated or payable in any currency as set out in the applicable Pricing Supplement, subject to all applicable consents being obtained and compliance with all applicable legal and regulatory requirements.

Status: Notes will be direct and general obligations of the relevant Issuer.

Guarantee: The payment of all amounts due in respect of (i) Notes issued by MSBV, unless specified otherwise in the applicable Pricing Supplement, (ii) MSFL or (iii) an Additional Issuer, unless specified otherwise in the accession agreement pursuant to which such Additional Issuer accedes to the Program, will be unconditionally and irrevocably guaranteed by Morgan Stanley pursuant to a guarantee dated as of 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time). Payment of amounts due in respect of MSI plc Notes is not guaranteed by Morgan Stanley.

Issue Price:	Notes may be issued at any price, as specified in the applicable Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements.
Maturities:	Notes will have maturities as specified in the applicable Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements. Where Notes have a maturity of less than one year and either (i) the issue proceeds are received by the relevant Issuer in the United Kingdom or (ii) the activity of issuing the Notes is carried on from an establishment maintained by the relevant Issuer in the United Kingdom, such Notes must: (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the relevant Issuer.
Redemption:	Notes may be redeemed at par or at such other redemption amount (detailed in a formula or otherwise) or by delivery of securities of an issuer that is not affiliated with Morgan Stanley, as may be specified in the applicable Pricing Supplement.
Early Redemption:	Early redemption will be permitted: (i) for taxation reasons as mentioned in Condition 23 (*Redemption and Purchase*) of "*Terms and Conditions of the English Law Notes*" hereof, and (ii) following the occurrence of an Event of Default, if the requisite number of Noteholders declare the Notes to be due and payable following the occurrence of such Event of Default in accordance with Condition 28 (*Events of Default*) of "*Terms and Conditions of the English Law Notes*" hereof, but will otherwise be permitted only to the extent specified in the applicable Pricing Supplement.
Interest:	Notes may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate, which may be zero, or floating rate, or at a rate which varies during the lifetime of the relevant Series.
Denominations:	Notes will be issued in such denominations as may be specified in the applicable Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements.
Taxation:	Payments made by the Issuer, or if applicable, the Guarantor, in respect of any Notes will be made without withholding or deduction for, or on account of, any present or future tax, assessment or governmental charge ("**Taxes**") imposed or levied by or on behalf of the United States or (i) the United Kingdom, in the case of payment by MSI plc in respect of Notes issued by MSI plc, or (ii) the Netherlands, in the case of payments by MSBV in respect of Notes issued by MSBV, or any representative political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of those Taxes is required by law. In the case of payments by Morgan Stanley or MSFL in respect of a Note, a beneficial owner of a Note that is not a U.S. person (or a financial institution holding a Note on behalf of the beneficial owner that is not a U.S. person) is required under current applicable law to furnish the appropriate IRS Form W-8BEN or W-8BEN-E on which a beneficial owner certifies under penalties of perjury that it is not a

U.S. person. Other U.S. withholding taxes may apply in respect of a Note as described below under "*United States Federal Taxation*". In the event that any Issuer or the Guarantor determines that withholding or deduction of taxes is required by the United States, or any representative political subdivision thereof or any authority or agency therein having power to tax, on any payment on any Notes, such Issuer or Guarantor will (if specified in the applicable Pricing Supplement and subject to customary exceptions) pay those Additional Amounts (as defined herein) as will result in those Noteholders who are U.S. Aliens (as defined herein) receiving such amounts as they would have received in respect of the Notes had no withholding or deduction been required, but only if so specified in the applicable Pricing Supplement.

Benefit Plan Investors: The Notes may not be acquired or held by, or acquired with the assets of, any employee benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), any individual retirement account or plan subject to section 4975 of the United States Internal Revenue Code of 1986, as amended, or any entity whose underlying assets include "plan assets" within the meaning of section 3(42) of ERISA by reason of any such employee benefit plan's, account's or plan's investment therein.

Use of Proceeds: The net proceeds from the sale of Notes by Morgan Stanley, MSI plc and MSBV will be used by the relevant Issuer for general corporate purposes, in connection with hedging the relevant Issuer's obligations under the Notes, or both.

Unless specified otherwise in the applicable Pricing Supplement, MSFL intends to lend the net proceeds from the sale of the Notes it offers to Morgan Stanley. Unless specified otherwise in the applicable Pricing Supplement, Morgan Stanley intends to use the proceeds from such loans for general corporate purposes.

Listing: The applicable Pricing Supplement will specify whether an issue of Series A Notes will be:

(i) admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market;

(ii) admitted to listing on the SIX Swiss Exchange and trading on the main segment of the SIX Swiss Exchange;

(iii) admitted to the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's Euro MTF market;

(iv) listed on the Global Market of the Gibraltar Stock Exchange;

(v) admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system; or

(vi) unlisted,

as the relevant Issuer and any Distribution Agent may agree.

The Series B Notes will not be admitted to listing, trading, and/or quotation by any listing authority, stock exchange and/or quotation system.

Clearing Systems:	Euroclear, Clearstream, Luxembourg, and/or any other clearing system as may be specified in the applicable Pricing Supplement.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with them shall be governed by English law.
Enforcement of Notes in Global Form:	In the case of: (i) English Law Notes issued by Morgan Stanley in global form, individual holders' rights will be governed by a deed of covenant entered into by Morgan Stanley dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time, the "**Morgan Stanley Deed of Covenant**"); (ii) Notes issued by MSI plc in (i) global form and (ii) dematerialised form, individual holders' rights will be governed by a deed of covenant entered into by MSI plc dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time, the "**MSI plc Deed of Covenant**"); (iii) Notes issued by MSBV in (i) global form, and (ii) dematerialised form, individual holders' rights will be governed by a deed of covenant entered into by MSI plc dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time, the "**MSBV Deed of Covenant**"); and (iv) English Law Notes issued by MSFL in global form, individual holders' rights will be governed by a deed of covenant entered into by MSFL dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time, the "**MSFL Deed of Covenant**"), copies of which, in each case, will be available for inspection at the specified office of the Fiscal Agent. In the case of Notes issued by an Additional Issuer in global form, individual holders' rights will be governed by a deed of covenant to be executed by such Additional Issuer on or around the date on which such Additional Issuer accedes to the Program, a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Selling Restrictions:	**The Notes may not be offered, sold or delivered at any time, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act).** 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, see "*Subscription and Sale*" and "*No Ownership by U.S. Persons*".

KEY FEATURES OF THE WARRANTS AND CERTIFICATES

The following summary describes the key features of the Warrants and Certificates that each Issuer is offering under the Program in general terms only. Investors should read the summary together with the more detailed information that is contained in this Offering Circular and in the applicable Pricing Supplement.

Issuers:	MSI plc, MSBV, MSFL and any Additional Issuer in respect of Warrants and Certificates. Morgan Stanley in respect of Certificates only.
Guarantor:	In the case of Warrants and Certificates issued by MSBV or an Additional Issuer, unless specified otherwise in the applicable Pricing Supplement or, in the case of an Additional Issuer, the accession agreement pursuant to which such Additional Issuer accedes to the Program, Morgan Stanley. In the case of Warrants and Certificates issued by MSFL, Morgan Stanley.
Distribution Agents:	MSI plc, which may act in whole or in part through an affiliate thereof, and Morgan Stanley & Co. LLC.
Principal Securities Agent:	The Bank of New York Mellon.
Securities Registrar:	The Bank of New York Mellon S.A./N.V., Luxembourg branch
Securities Transfer Agent:	The Bank of New York Mellon S.A./N.V., Luxembourg branch
Issuance in Series:	Warrants and Certificates will be issued in series (each, a "**Series**"). Each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") issued on different issue dates.
Terms and Conditions:	A Pricing Supplement (a "**Pricing Supplement**") will be prepared in respect of each Tranche of Warrants and Certificates. The terms and conditions applicable to each Tranche issued by Morgan Stanley, MSI plc, MSBV or MSFL will be those set out herein under the heading "*Terms and Conditions of the Warrants and Certificates*" as supplemented, modified or replaced by the applicable Pricing Supplement. If an Additional Issuer accedes to the Program, a supplement to the Offering Circular containing a full description of the Additional Issuer shall be prepared. The terms and conditions applicable to each Tranche issued by an Additional Issuer will be those set out in the relevant supplemental Offering Circular, as supplemented, modified or replaced by the applicable Pricing Supplement. Morgan Stanley may issue Certificates, and MSI plc, MSBV, MSFL and any Additional Issuer may issue Warrants and Certificates, that are Equity and Proprietary Index-Linked Securities, Currency-Linked Securities, Commodity-Linked Securities, Bond-Linked Securities, Inflation-Linked Securities, Property-Linked Securities, Futures Contract-Linked Securities and Fund-Linked Securities (each as defined in Condition 2 (*Interpretation*) of "*Terms and Conditions of the Warrants and Certificates*").
Form of Warrants and Certificates:	Morgan Stanley may issue Certificates, and MSI plc, MSBV and MSFL may issue Warrants and Certificates, in registered form ("**Registered Warrants**" and "**Registered Certificates**" together, the "**Registered Securities**"). Registered Warrants and Registered Certificates may be in global registered form or individual registered form. MSBV and MSI plc may also issue Warrants and Certificates

	in dematerialised and uncertificated book-entry form with a Nordic central securities depositary ("**Nordic Securities**").
Style of Warrants and Certificates:	Warrants and Certificates may be exercisable on any day during a specified exercise period ("**American Style Securities**"), on a specified expiration date ("**European Style Securities**") or on specified dates during a specified exercise period ("**Bermudan Style Securities**"), as specified in the applicable Pricing Supplement. If so specified in the applicable Pricing Supplement, Warrants and Certificates may be deemed exercised on the expiration date thereof.
Settlement of Warrants and Certificates:	Upon exercise, Warrants and Certificates may entitle the Securityholder to receive from the relevant Issuer a Cash Settlement amount (as specified or calculated in accordance with the applicable Pricing Supplement) ("**Cash Settlement Securities**"), or may entitle the Securityholder to receive delivery of or to deliver an amount of securities (as specified or calculated in accordance with the relevant Supplement) ("**Physical Settlement Securities**"), as specified in the applicable Pricing Supplement.
Minimum Exercise Number:	Warrants and Certificates are exercisable in the minimum number (or, if so specified, integral multiples thereof) specified in the applicable Pricing Supplement.
Status:	The Warrants and Certificates will be direct and general obligations of the relevant Issuer.
Guarantee:	The payment of all amounts due in respect of Warrants and Certificates issued by (i) MSBV, unless specified otherwise in the applicable Pricing Supplement, (ii) MSFL or (iii) an Additional Issuer, unless specified otherwise in the accession agreement pursuant to which such Additional Issuer accedes to the Program, will be unconditionally and irrevocably guaranteed by Morgan Stanley pursuant to a guarantee dated as of 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time). Payment of amounts due in respect of Certificates issued by MSI plc is not guaranteed by Morgan Stanley.
Taxation:	The Securityholders shall be liable for any applicable taxes, duties and other charges due in relation to, *inter alia*, the issue, transfer, transmission and/or settlement of the Warrants and Certificates. In the case of Cash Settlement Securities, the relevant Issuer shall be entitled to withhold or deduct from any amounts otherwise payable to the Securityholders such amount as is necessary for the payment of such taxes, duties and other charges. In the case of Physical Settlement Securities, the relevant Issuer's obligation to deliver an amount of securities shall be subject to payment by the relevant Securityholders, or shall be reduced by such amount to take account, of an amount in respect of such taxes, duties and other charges.
Benefit Plan Investors:	The Warrants and Certificates may not be acquired or held by, or acquired with the assets of, any employee benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), any individual retirement account or plan subject to section 4975 of the United States Internal Revenue Code of 1986, as amended, or any entity whose underlying assets include "plan assets" within the meaning of section 3(42) of ERISA by reason of any such employee benefit plan's, account's or plan's investment therein.

Listing:

The applicable Pricing Supplement will specify whether an issue of Warrants or Certificates will be:

(i) admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market;

(ii) admitted to listing on the SIX Swiss Exchange and trading on the main segment of the SIX Swiss Exchange;

(iii) admitted to the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's Euro MTF market;

(iv) listed on the Global Market of the Gibraltar Stock Exchange;

(v) admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system; or

(vi) unlisted,

as the relevant Issuer and any Distribution Agent may agree.

Clearing Systems:

Euroclear, Clearstream, Luxembourg and/or any other clearing systems as may be specified in the applicable Pricing Supplement.

Governing Law:

The Warrants and Certificates and any non-contractual obligations arising out of or in connection with them shall be governed by English law.

Enforcement of Warrants and Certificates in Global Form:

In the case of Certificates issued by Morgan Stanley in global form, individual holders' rights will be governed by a deed of covenant entered into by Morgan Stanley dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time, the "**Morgan Stanley Deed of Covenant**").

In the case of Warrants and Certificates issued by:

(i) MSI plc in (a) global form, and (b) dematerialised form, individual holders' rights will be governed by a deed of covenant entered into by MSI plc dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time, the "**MSI plc Deed of Covenant**");

(ii) MSBV in (a) global form, and (b) dematerialised form, individual holders' rights will be governed by a deed of covenant entered into by MSBV dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time, the "**MSBV Deed of Covenant**"); and

(iii) MSFL in global form, individual holders' rights will be governed by a deed of covenant entered into by MSFL dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time, the "**MSFL Deed of Covenant**"),

copies of which, in each case, will be available for inspection at the specified office of the Principal Securities Agent.

In the case of Warrants and Certificates issued by an Additional Issuer in global form, individual holders' rights will be governed by

	a deed of covenant to be executed by such Additional Issuer on or around the date on which such Additional Issuer accedes to the Program, a copy of which will be available for inspection at the specified office of the Principal Securities Agent.
Selling Restrictions:	**The Warrants and Certificates may not be offered, sold or delivered *at any time*, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act).** For a description of certain restrictions on offers, sales and deliveries of the Warrants and Certificates and on the distribution of offering material in the United States and in certain other countries, see "*Subscription and Sale"* and *"No Ownership by U.S. Persons*".

DESCRIPTION OF THE NEW YORK LAW NOTES

The particular terms of any Notes offered herein will be set forth in the applicable Pricing Supplement (which will, in the case of Notes that are to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market, when appropriate, be comprised in a supplement to the Offering Circular). **The terms and conditions set forth in this "*Description of New York Law Notes*" will apply to each New York Law Note as specified in the applicable Pricing Supplement and in that Note. The Notes will be offered on a continuing basis**.

If any Note is not to be denominated in U.S. Dollars, the applicable Pricing Supplement will specify the currency or currencies in which the principal, premium, if any, interest, if any, and supplemental amounts, if any, with respect to that Note are to be paid, along with any other terms relating to the non U.S. Dollar denomination, including for certain issuances historical exchange rates for each relevant foreign currency as against the U.S. Dollar and any exchange controls affecting any relevant foreign currency. See "— *Interest and Principal Payments*".

General

Notes governed by New York law will be issued under a senior debt Indenture dated as of 15 November 2000 between Morgan Stanley and The Bank of New York Mellon as Trustee (the "**Trustee**") (as supplemented from time to time, the "**Indenture**"). The Notes issued under the Indenture will constitute a single series under that Indenture.

The following summaries of certain provisions of the Indenture and the Notes, and the summaries of additional provisions of the Indenture described under the heading "— *Indenture*" do not purport to be complete, and those summaries are subject to the detailed provisions of the Indenture. The Notes offered by this Offering Circular and the accompanying Pricing Supplement are sometimes referred to herein as the "**Offered Notes**."

The Indenture does not limit the amount of additional indebtedness that Morgan Stanley or any of its subsidiaries may incur, nor does it include a negative pledge provision that would require Morgan Stanley to secure the Notes if it were to secure other senior indebtedness. The Indenture allows Morgan Stanley to "reopen" a previous issue of Notes and issue additional Notes of that issue. The Notes will be direct and general obligations of Morgan Stanley. Most of the assets of Morgan Stanley are owned by its subsidiaries. Therefore, Morgan Stanley's rights and the rights of its creditors, including holders of Notes, to participate in the assets of any subsidiary upon that subsidiary's liquidation or recapitalisation will be subject to the prior claims of that subsidiary's creditors, except to the extent that Morgan Stanley may itself be a creditor with recognised claims against the subsidiary. In addition, dividends, loans and advances from certain subsidiaries to Morgan Stanley are restricted by legal requirements, including (in the case of Morgan Stanley & Co. LLC ("**MS & Co.**")) net capital requirements under the U.S. Securities Exchange Act of 1934, as amended, and under rules of certain exchanges and other regulatory bodies and (in the case of Morgan Stanley Bank, N.A., an indirect wholly owned subsidiary of Morgan Stanley, and other bank subsidiaries) by banking regulations.

The Indenture provides that Notes may be issued from time to time in one or more series and may be denominated and payable in currencies other than U.S. Dollars.

The applicable Pricing Supplement (which will, in the case of Notes that are to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market, when appropriate, be comprised in a supplement to the Offering Circular) will contain, where applicable, the following terms of, and information relating to, any Offered Notes:

(i) the currency in which the Offered Notes are denominated and/or in which principal, and any premium, interest and/or supplemental amounts, will or may be payable (the "**Specified Currency**"), along with any other terms relating to the non U.S. Dollar denomination, including, if applicable, exchange rates for the Specified Currency as against the U.S. Dollar at selected times during previous years, and any exchange controls affecting that Specified Currency;

(ii) the stated maturity date and any terms related to any extension of the maturity date;

(iii) whether the Offered Notes are Notes bearing interest at a fixed rate ("**Fixed Rate Notes**"), Notes bearing interest at a floating rate ("**Floating Rate Notes**"), Notes with original issue discount and/or Amortising Notes;

(iv) whether Morgan Stanley will pay Additional Amounts to the Noteholders who are U.S. Aliens;

(v) for Fixed Rate Notes, the rate per year at which the Notes will bear interest, if any, or the method of calculating that rate and the dates on which interest will be payable;

(vi) for Floating Rate Notes, the Base Rate, the Index Maturity, the Index Currency, the Spread, the Spread Multiplier, the Initial Interest Rate, the Interest Reset Periods, the Interest Reset Date, the Interest Payment Dates, the Maximum Interest Rate, the Minimum Interest Rate, the Interest Determination Date, the Benchmark Trigger Provisions, the Relevant Rates Benchmark, and the Alternative Pre-nominated Reference Rate (each as defined below) and any other terms relating to the particular method of calculating the interest rate for the Notes;

(vii) if the Offered Notes are Amortising Notes, the amortisation schedule;

(viii) whether the Offered Notes may be redeemed, in whole or in part, at the option of Morgan Stanley or repaid at the option of the investor, prior to the stated maturity date, and the terms of any redemption or repayment;

(ix) whether the Offered Notes are Currency-Linked Notes, Futures Contract-Linked Notes, ETN-Linked Notes, Credit-Linked Notes and/or Notes linked to commodity prices, securities of entities not affiliated with Morgan Stanley, baskets of those securities or indices;

(x) the terms on which holders of the Offered Notes may convert or exchange them into or for stock or other securities of entities not affiliated with Morgan Stanley (as well as, in the case of Series B Notes, for securities of an entity that is affiliated with Morgan Stanley), or for the cash value of these securities or for any other property, any specific terms relating to the adjustment of the conversion or exchange feature and the period during which the holders may effect the conversion or exchange;

(xi) whether the Offered Notes will be issued in individually certificated registered form or in global registered form;

(xii) whether the Offered Notes will be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market, admitted to listing on the SIX Swiss Exchange and to trading on the main segment of the SIX Swiss Exchange, admitted to listing on the Official List of the Luxembourg Stock Exchange to trading on the Luxembourg Stock Exchange's Euro MTF market, listed on the Global Market of the Gibraltar Stock Exchange, or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system;

(xiii) the place or places for payment of the principal of and any premium, interest and/or supplemental amounts on the Offered Notes;

(xiv) any repayment, redemption, prepayment or sinking fund provisions;

(xv) information as to the methods for determining the amount of principal, interest and/or supplemental amounts payable on any date and/or the currencies, securities, futures contracts or baskets of securities, futures contracts, commodities or indices to which the amount payable on that date is linked;

(xvi) any applicable, material U.S. federal income tax consequences other than those set forth herein;

(xvii) if applicable, any United Kingdom withholding tax consequences; and

(xviii) any other specific terms of the Offered Notes, including any additional events of default or covenants, and any terms required by or advisable under applicable laws or regulations.

Holders may present the Notes for exchange or transfer, in the manner, at the places and subject to the restrictions described under the caption "*Subscription and Sale*" and "*No Ownership by U.S. Persons*" in

the Notes and in the applicable Pricing Supplement. These services will be provided without charge except for any tax or other governmental charge payable in connection with these services and subject to any limitations provided in the Indenture.

The Notes will be Fixed Rate Notes or Floating Rate Notes or may pay interest at a rate which varies or may pay no interest. The Notes, including Notes bearing no interest or interest at a rate that at the time of issuance is below the prevailing market rate, may be sold at a discount below their stated principal amount.

The Notes will be issued in such denominations as set forth in the applicable Pricing Supplement.

As used herein, the following terms have the meanings set forth below:

"**Amortising Note**" means a Fixed Rate Note (as defined below) that pays a level amount in respect of both interest and principal amortised over the life of the Note;

"**Business Day**" means any day, other than a Saturday or Sunday that, for Notes denominated in:

(i) a Specified Currency other than euro, is neither a legal holiday nor a day on which banking institutions are authorised or required by law or regulation to close in the principal financial centre of the country of the Specified Currency and in each (if any) Additional Business Centre (and if the Additional Business Centre is specified in the applicable Pricing Supplement to be or to include TARGET, then a Business Day shall also be a TARGET Settlement Day); and

(ii) euro, that is also a TARGET Settlement Day and a day that is neither a legal holiday nor a day on which banking institutions are authorised or required by law or regulation to close in each (if any) Additional Business Centre;

"**Euro**", "**euro**", "**€**" and "**EUR**" are to the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time);

"**Euro LIBOR Notes**" means LIBOR Notes for which the Index Currency is euros;

"**Interest Payment Date**" means for any Note a date on which, under the terms of that Note, regularly scheduled interest is payable;

"**Interest Payment Period**" means for any Note, the period specified as such in the applicable Pricing Supplement;

"**Interest Payment Period End-Date**" means for any Note, the date specified as such in the applicable Pricing Supplement;

"**Japanese Yen**" and "**¥**" are to the lawful currency of Japan;

"**London banking day**" means any day on which dealings in deposits in the relevant Index Currency (as defined under " *— Base Rates — LIBOR Notes*" below) are transacted in the London interbank market;

"**Market Exchange Rate**" means the noon U.S. Dollar buying rate in The City of New York for cable transfers of a Specified Currency published by the Federal Reserve Bank of New York;

"**Original Issue Discount Note**" means any Note that provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof pursuant to the relevant Indenture;

"**Renminbi**", "**RMB**" and "**CNY**" are to the lawful currency of the People's Republic of China ("**PRC**") which, for the purpose of these Conditions, shall exclude the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**Sterling**" and "**£**" are to the lawful currency of the United Kingdom;

"**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 Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in Euros; and

"**U.S. Dollars**", "**U.S.$**" and "**$**" are to the lawful currency of the United States of America.

Form and Title

The Notes will be issued in registered form, without coupons attached. For a more complete description of the form of Notes and of the consequences of holding an interest in a global registered form, see "*Form of Notes*" below.

The investor may transfer the Notes and present them for payment and exchange in the manner set forth below.

Status

The Notes constitute direct and general obligations of Morgan Stanley which rank pari passu among themselves.

Interest and Principal Payments

Global Registered Notes. The Principal Paying Agent or any other paying agent will pay the principal, premium, if any, interest and/or supplemental amounts, if any, on the global registered note through the common depositary therefor to the Relevant Clearing System with respect to that portion of any global registered note held for its account.

At maturity, redemption or repayment or on an Interest Payment Date, the Relevant Clearing System will credit the principal, premium, if any, interest and/or supplemental amounts, if any, received to the respective accounts of the beneficial owners of the global registered note who are recorded on the book of the clearing systems at the close of business on the Clearing System Business Day before the due date of such payment ("**Clearing System Business Day**" means a day on which each clearing system for this the global registered note is being held is open for business). Payment of principal, premium, if any, interest and/or supplemental amounts, if any, made on any global registered note will be made to the Relevant Clearing System in immediately available funds, subject to any applicable laws and regulations.

Individually Certificated Registered Notes. The Principal Paying Agent or any other paying agent will pay principal, premium, if any, interest and/or supplemental amounts, if any, on an individually certificated registered note at maturity, upon redemption or repayment only if such note is presented. U.S. Dollar payments of interest, other than interest due at maturity or on any date of redemption or repayment, will be made by U.S. Dollar check mailed to the holder's address, as it appears in the note register on the record date. A holder of U.S.$10,000,000 or more in aggregate principal amount of Notes having the same Interest Payment Date will be entitled to receive payments of interest, other than interest due at maturity or on any date of redemption or repayment, by wire transfer of immediately available funds if appropriate wire transfer instructions have been received by the Principal Paying Agent in writing not less than 15 calendar days prior to the applicable Interest Payment Date. If an individually certificated registered note is denominated in a currency other than U.S. Dollars, payments of interest thereon will be made by wire transfer of immediately available funds to an account maintained by the holder of such note with a bank located outside the United States, and in the case the denominated currency is euro, in a country for which the euro is the lawful currency, if appropriate wire transfer instructions have been received by the Principal Paying Agent in writing on or prior to the fifth business day after the applicable record date. If such wire transfer instructions are not so received, such interest payments will be made by check payable in such currency mailed to the holder's address, as it appears in the note register on the record date.

Unavailability of Currency. The relevant Specified Currency may not be available to Morgan Stanley for making payments of principal of, and premium, interest and/or supplemental amounts, if any, on any Note. This could occur due to the imposition of exchange controls or other circumstances beyond the control of Morgan Stanley or if the Specified Currency is no longer used by the government of the country issuing that currency or by public institutions within the international banking community for the settlement of transactions. If the Specified Currency is unavailable, Morgan Stanley may satisfy its obligations to Noteholders by making those payments on the date of payment in U.S. Dollars on the basis of the Market Exchange Rate on the date of the payment or of the most recent practicable date, or if that rate of exchange is not then available or is not published for that particular payment currency, the Market Exchange Rate will

be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 a.m., New York City time, on the second Business Day preceding the applicable payment date from three recognised foreign exchange dealers for the purchase by the quoting dealer:

(i) of the Specified Currency for U.S. Dollars for settlement on the payment date;

(ii) in the aggregate amount of the Specified Currency payable to those holders or beneficial owners of Notes; and

(iii) at which the applicable dealer commits to execute a contract.

If those bid quotations are not available, the Exchange Rate Agent will determine the Market Exchange Rate at its sole discretion. All determinations by the Exchange Rate Agent will, in the absence of manifest error, be conclusive for all purposes and binding on Morgan Stanley and the Noteholders. The Exchange Rate Agent will be Morgan Stanley & Co. International plc, an affiliate of Morgan Stanley, unless otherwise noted in the applicable Pricing Supplement. If the Exchange Rate Agent is not an affiliate of Morgan Stanley, it may be one of the dealers providing quotations.

For the avoidance of doubt, any payment made in U.S. Dollars on the basis of the Market Exchange Rate where the required payment is in an unavailable Specified Currency will not constitute an Event of Default under the Indenture.

These provisions do not apply if a Specified Currency is unavailable because it has been replaced by the euro. If the euro has been substituted for a Specified Currency, we may at our option (or will, if required by applicable law) without the consent of the holders of the affected Notes, pay the principal of, premium, if any, or interest, if any, on any Note denominated in the Specified Currency in euro instead of the Specified Currency, in conformity with legally applicable measures taken pursuant to, or by virtue of, the Treaty, subject to and in accordance with the terms described in Redenomination below. Any payment made in U.S. Dollars or in euro, as described above where the required payment is in an unavailable Specified Currency, will not constitute an Event of Default under the Indenture.

Unclaimed Payments. If Morgan Stanley has made, and the Trustee or the Principal Paying Agent or any other paying agent has held, any payment of the principal of, or any premium, interest and/or supplemental amounts on, any Notes that remains unclaimed at the end of two years after that payment has become due and payable (whether at maturity or upon call for redemption or otherwise):

(i) the Trustee or such paying agent will notify the holders of such Notes that moneys will be repaid to Morgan Stanley, and any person claiming such moneys will thereafter look only to Morgan Stanley for payment thereof; and

(ii) those moneys will be so repaid to Morgan Stanley.

Upon that repayment all liability of the Trustee or such paying agent with respect to those moneys will thereupon cease, without, however, limiting in any way any obligation that Morgan Stanley may have to pay the principal of, or any premium, interest and/or supplemental amounts on, the Notes as the same will become due.

Original Issue Par Notes. Certain Notes may be Original Issue Par Notes. Unless otherwise specified in the applicable Pricing Supplement, if the principal of any Note that is considered to be issued with original issue discount is declared to be due and payable immediately as described under "*—Events of Default*" below is surrendered for optional repayment or is redeemed as described under "*—Tax Redemption*" below, the amount of principal due and payable on that Note will be limited to:

(i) the aggregate principal amount of the Note *multiplied by*

(ii) the sum of its issue price, expressed as a percentage of the aggregate principal amount, *plus*

(iii) the original issue discount accrued from the date of issue to the date of declaration, expressed as a percentage of the aggregate principal amount, with the amount of original issue discount accrued being calculated using a constant yield method.

The constant yield shall be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the initial period (as defined below), corresponds to the shortest period between Interest Payment Dates (with rateable accruals within a compounding period), and an assumption that the maturity will not be accelerated. If the period from the original issue date to the first Interest Payment Date, (the "**initial period**") is shorter than the compounding period for such Note, a proportionate amount of the yield for an entire compounding period will be accrued. If the initial period is longer than the compounding period, then the period will be divided into a regular compounding period and short compounding period with the short period being treated as provided in the preceding sentence. See the applicable Pricing Supplement for any special considerations applicable to these Notes.

Transfers and Exchanges

Global Registered Notes. Global registered notes are held by a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Global registered notes name the depositary or its nominee as the holder. The clearing system maintains a computerised system that will reflect each investor's beneficial ownership of such notes through an account maintained by the investor with its broker/dealer, bank, trust company or other representative. The procedures for transfer of interests in global registered notes depend upon the procedures of the clearing system.

Individually Certificated Registered Notes. Holders of individually certificated registered notes may present such notes to register the transfer thereof at the offices of the Principal Paying Agent in London or at the office of any agent that Morgan Stanley designates for that purpose. No service charge will be made for any registration of transfer of the notes, but Morgan Stanley may require payment of a sum sufficient to cover any tax or other governmental charge in connection therewith. The terms of, and procedures established under, the Indenture govern any registration of transfer of such notes.

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, see "*Subscription and Sale*" and "*No Ownership by U.S. Persons*".

Paying Agent for the Notes. Morgan Stanley has designated The Bank of New York Mellon as its Principal Paying Agent for the Notes. Morgan Stanley may at any time appoint additional paying agents for the Notes outside the United States. Any initial designation by Morgan Stanley of an agent may be rescinded at any time, except that, so long as any Notes remain outstanding, Morgan Stanley will maintain a paying agent having a specified office in (i) Dublin, so long as any Notes are admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market and Euronext Dublin requires it, (ii) Switzerland, so long as any Notes are admitted to listing on the SIX Swiss Exchange and to trading on the main segment of the SIX Swiss Exchange and the SIX Swiss Exchange requires it (iii) Luxembourg, so long as any Notes are admitted to listing on the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's Euro MTF market and the Luxembourg Stock Exchange requires it and (iv) Gibraltar, so long as any Notes are listed on the Global Market of the Gibraltar Stock Exchange and the Gibraltar Stock Exchange requires it.

Fixed Rate Notes. Each Fixed Rate Note will bear interest from the date of issuance at the annual rate stated on its face until the principal is paid or made available for payment.

How Interest Is Calculated. Interest on Fixed Rate Notes will be computed on the basis of a 360 day year of twelve 30 day months.

How Interest Accrues. Interest on Fixed Rate Notes will accrue from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for, from and including the issue date or any other date specified in a Pricing Supplement on which interest begins to accrue. Interest will accrue to but excluding the next Interest Payment Date or, if earlier, excluding the date on which the principal has been paid or duly made available for payment (except as described below under "*— If a Payment Date is Not a Business Day*").

When Interest Is Paid. Payments of interest on Fixed Rate Notes will be made on the Interest Payment Dates specified in the applicable Pricing Supplement. If the Original Issue Date of a registered note is between a record date and the next succeeding Interest Payment Date, interest payments will commence on the second succeeding Interest Payment Date and will be payable to the holder as of the record date next preceding such Interest Payment Date.

Amount of Interest Payable. Interest payments for Fixed Rate Notes will include accrued interest from and including the date of issue or from and including the last date in respect of which interest has been paid, as the case may be, to but excluding the relevant interest payment date or date of maturity or earlier redemption or repayment, as the case may be.

If a Payment Date Is Not a Business Day. If any scheduled Interest Payment Date is not a Business Day, Morgan Stanley will pay interest on the next Business Day, but interest on that payment will not accrue during the period from and after the Interest Payment Date. If the scheduled maturity date or date of redemption or repayment is not a Business Day, Morgan Stanley may pay principal, premium, interest and/or supplemental amounts, if any, on the next succeeding Business Day, but interest on that payment will not accrue during the period from and after the maturity date or date of redemption or repayment.

Amortising Notes. A Fixed Rate Note may pay a level amount in respect of both interest and principal amortised over the life of the Note. Payments of principal and interest on Amortising Notes will be made on the Interest Payment Dates specified in the applicable Pricing Supplement, and at maturity or upon any earlier date of redemption or repayment. Payments on Amortising Notes will be applied first to interest due and payable and then to the reduction of the unpaid principal amount. Morgan Stanley will provide to the original purchaser, and will furnish to subsequent holders upon request to Morgan Stanley, a table setting forth repayment information for each Amortising Note.

Floating Rate Notes

Each Floating Rate Note will mature on the date specified in the applicable Pricing Supplement.

Each Floating Rate Note will bear interest at a floating rate determined by reference to an interest rate or interest rate formula (the "**Base Rate**"). The Base Rate may be one or more of the following:

(i) the CD Rate;

(ii) the Commercial Paper Rate;

(iii) EURIBOR;

(iv) the Federal Funds Rate;

(v) the Federal Funds (Open) Rate;

(vi) LIBOR;

(vii) SOFR;

(viii) SONIA;

(ix) the Prime Rate;

(x) the Treasury Rate;

(xi) the CMT Rate; or

(xii) any other rate or interest rate formula specified in the applicable Pricing Supplement and in the Floating Rate Note.

Formula for Interest Rates. Subject as provided below in respect of SOFR Notes and SONIA Notes, the interest rate on each Floating Rate Note will be calculated by reference to:

(i) the specified Base Rate based on the Index Maturity;

(ii) *plus or minus* the Spread, if any; and/or

(iii) *multiplied* by the Spread Multiplier, if any.

The interest rate on each Floating Rate Note may, during all or any part of the period that it is outstanding, be set at zero.

"**Index Maturity**" means, for any Floating Rate Note, the period of maturity of the instrument or obligation from which the Base Rate is calculated and will be specified in the applicable Pricing Supplement. The "**Spread**" is the number of basis points (one hundredth of a percentage point) specified in the applicable Pricing Supplement to be added to or subtracted from the Base Rate for a Floating Rate Note. The "**Spread Multiplier**" is the percentage specified in the applicable Pricing Supplement to be applied to the Base Rate for a Floating Rate Note. The interest rate on any inverse Floating Rate Note will also be calculated by reference to a fixed rate.

Formula for Interest Rates – SOFR Notes. Notwithstanding the terms set forth above, in the case of SOFR Notes the "**Spread**" is the number of basis points (one one-hundredth of a percentage point) specified in the applicable Pricing Supplement, to be added to or substracted from, as the case may be, the Accrued Interest Compounding Factor for an Interest Payment Period.

The amount of interest accrued and payable on the Notes for each Interest Payment Period will be equal to the outstanding principal amount of the Notes multiplied by the product of:

(a) the sum of the Accrued Interest Compounding Factor plus or minus (as indicated in the applicable Pricing Supplement) the Spread for the relevant Interest Payment Period,

multiplied by -

(b) the quotient obtained by dividing the actual number of calendar days in such Interest Payment Period by 360.

Notwithstanding the foregoing, in no event will the interest rate payable for any Interest Payment Period be less than zero per cent..

Formula for Interest Rates – SONIA Notes. Notwithstanding the terms set forth above, in the case of SONIA Notes the "**Spread**" is the number of basis points (one one-hundredth of a percentage point) specified in the applicable Pricing Supplement, to be added to or subtracted from, as the case may be, the SONIA Benchmark for an Interest Payment Period.

The amount of interest accrued and payable on the Notes for each Interest Payment Period will be equal to the outstanding principal amount of the Notes multiplied by the product of:

(a) the sum of the SONIA Benchmark plus or minus (as indicated in the applicable Pricing Supplement) the Spread for the relevant Interest Payment Period,

multiplied by -

(b) the quotient obtained by dividing the actual number of calendar days in such Interest Payment Period by 365.

Notwithstanding the foregoing, in no event will the interest rate payable for any Interest Payment Period be less than zero per cent..

Limitations on Interest Rate. A Floating Rate Note may also have either or both of the following limitations on the interest rate:

(i) a maximum limitation, or ceiling, on the rate of interest which may accrue during any interest period ("**Maximum Interest Rate**"); and/or

(ii) a minimum limitation, or floor, on the rate of interest that may accrue during any interest period ("**Minimum Interest Rate**").

Any applicable Maximum Interest Rate or Minimum Interest Rate will be set forth in the applicable Pricing Supplement.

In addition, the interest rate on a Floating Rate Note may not be higher than the maximum rate permitted by New York law, as that rate may be modified by United States federal law of general application. Under current New York law, the maximum rate of interest, subject to some exceptions, for any loan in an amount less than U.S.$250,000 is 16 per cent. and for any loan in the amount of U.S.$250,000 or more but less than

U.S.$2,500,000 is 25 per cent. per annum on a simple interest basis. These limits do not apply to loans of U.S.$2,500,000 or more.

How Floating Interest Rates Are Reset. The following provisions apply to Notes other than SOFR Notes or SONIA Notes.

The interest rate in effect from the date of issue to the first Interest Reset Date for a Floating Rate Note will be the initial interest rate specified in the applicable Pricing Supplement. This rate is the "**Initial Interest Rate**". The interest rate on each Floating Rate Note may be reset daily, weekly, monthly, quarterly, semi-annually or annually. This period is the "**Interest Reset Period**" and the first day of each Interest Reset Period is the "**Interest Reset Date**". The "**Interest Determination Date**" pertaining to any Interest Reset Date is the day the Calculation Agent (which will be specified for any issue of Floating Rate Notes in the applicable Pricing Supplement) will refer to when determining the new interest rate at which a Floating Rate Note will reset, and is applicable as follows:

(i) for Federal Funds Rate Notes, Federal Funds (Open) Rate Notes, and Prime Rate Notes, the Interest Determination Date will be on the Business Day prior to the Interest Rate Reset Date;

(ii) for CD Rate Notes, Commercial Paper Rate Notes and CMT Rate Notes, the Interest Determination Date will be the second Business Day prior to the Interest Reset Date;

(iii) for EURIBOR Notes or Euro LIBOR Notes, the Interest Determination Date will be the second TARGET Settlement Day (as defined under "General") prior to the Interest Reset Date;

(iv) for LIBOR Notes (other than Euro LIBOR Notes), the Interest Determination Date will be the second London Banking Day prior to the Interest Reset Date, except that the Interest Determination Date pertaining to an Interest Reset Date for a LIBOR Note for which the Index Currency is Sterling will be the Interest Reset Date;

(v) for Treasury Rate Notes, the Interest Determination Date will be the day of the week in which the Interest Reset Date falls on which Treasury bills would normally be auctioned; and

(vi) for Notes with two or more Base Rates, the Interest Determination Date will be the latest Business Day that is at least two Business Days before the Interest Reset Date for the applicable Note on which each Base Rate is determinable.

Treasury bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that the auction may be held on the preceding Friday; provided, however, that if an auction is held on the Friday of the week preceding the Interest Reset Date, the Interest Determination Date will be that preceding Friday. If an auction falls on a day that is an Interest Reset Date, that Interest Reset Date will be the next succeeding Business Day.

The Interest Reset Dates will be specified in the applicable Pricing Supplement. If an Interest Reset Date for any Floating Rate Note falls on a day that is not a Business Day, it will be postponed to the following Business Day, except that, in the case of a EURIBOR Note or a LIBOR Note, if that Business Day is in the next calendar month, the Interest Reset Date will be the immediately preceding Business Day. With respect to the EURIBOR Notes, for the purpose of determining the Initial Interest Rate, the term "Interest Reset Date" refers to the issue date.

The interest rate in effect for the ten calendar days immediately prior to maturity, redemption or repayment will be the one in effect on the tenth calendar day preceding the maturity, redemption or repayment date.

In the detailed descriptions of the various Base Rates which follow, the "Calculation Date" pertaining to an Interest Determination Date, including the Interest Determination Date as of which the Initial Interest Rate is determined, means the earlier of (i) the tenth calendar day after the Interest Determination Date, or, if that day is not a Business Day, the next succeeding Business Day, and (ii) the Business Day immediately preceding the applicable Interest Payment Date or maturity date or, for any principal amount to be redeemed or repaid, any redemption or repayment date.

How Interest is Calculated. Interest on Floating Rate Notes (other than SOFR Notes and SONIA Notes) will accrue from and include the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for, from and including the issue date or any

other date specified in a Pricing Supplement on which interest begins to accrue. Interest will accrue to but exclude the next Interest Payment Date, or, if earlier, the date on which the principal has been paid or duly made available for payment (except as described under "*— If a Payment Date Is Not a Business Day*" below).

The applicable Pricing Supplement will specify a calculation agent for any issue of Floating Rate Notes (the "**Calculation Agent**"). Upon the request of the holder of any Floating Rate Note, the Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective on the next Interest Reset Date for that Floating Rate Note. As long as any Floating Rate Notes have been admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market and the rules of Euronext Dublin require it, the Calculation Agent will, no later than the first day of the applicable Interest Reset Period, notify Euronext Dublin as to the interest rate in effect for such Interest Reset Period and will also publish notice of the relevant interest rate and the applicable Interest Reset Period in the manner described below under "— Notices" or make such information available to holders at the offices of the Principal Paying Agent.

For a Floating Rate Note, accrued interest will be calculated by multiplying the principal amount of the Floating Rate Note by an accrued interest factor. This accrued interest factor will be computed by adding the interest factors calculated for each day in the period for which interest is being paid. The interest factor for each day is computed by dividing the interest rate applicable to that day:

(i) by 360, in the case of CD Rate Notes, Commercial Paper Rate Notes, EURIBOR Notes, Federal Funds Rate Notes, Federal Funds (Open) Rate Notes, LIBOR Notes (except for LIBOR Notes denominated in Sterling) and Prime Rate Notes;

(ii) by 365, in the case of LIBOR Notes denominated in Sterling; or

(iii) by the actual number of days in the year, in the case of Treasury Rate Notes and CMT Rate Notes.

For these calculations, the interest rate in effect on any Interest Reset Date will be the applicable rate as reset on that date. The interest rate applicable to any other day is the interest rate from the immediately preceding Interest Reset Date (or, if none, the Initial Interest Rate).

All percentages used in or resulting from any calculation of the rate of interest on a Floating Rate Note will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with 0.000005 per cent. rounded up to 0.00001 per cent., and all U.S. Dollar amounts used in or resulting from these calculations on Floating Rate Notes will be rounded to the nearest cent, with one half cent rounded upward. All Japanese Yen amounts used in or resulting from such calculations will be rounded downward to the next lower whole Japanese Yen amount. All amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 rounded up to 0.01.

How Interest is Calculated for SOFR Notes: On each Interest Payment Date, accrued interest will be paid for the most recently completed Interest Payment Period. Interest on the Notes will accrue from and including the most recent Interest Payment Period End-Date to which interest has been paid or duly provided for, or, in the case of the first Interest Payment Period, from and including the interest commencement date. Interest will accrue to but excluding the next Interest Payment Period End-Date.

The Calculation Agent will notify the Principal Paying Agent of each determination of the interest rate applicable to the Notes promptly after the determination is made.

With respect to any Interest Payment Period, the "**Accrued Interest Compounding Factor**" means the rate of return of a daily compound interest investment computed in accordance with the following formula (with the resulting percentage rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right] x \frac{360}{d}$$

where:

"**d_0**", for any Interest Payment Period, means the number of U.S. Government Securities Business Days in the relevant Interest Payment Period.

"**i**" is a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Payment Period.

"**$SOFR_i$**", for any day "i" in the relevant Interest Payment Period, means a reference rate equal to SOFR in respect of that day.

"**n_i**" means the number of calendar days in the relevant Interest Payment Period on which the rate is $SOFR_i$.

"**d**" means the number of calendar days in the relevant Interest Payment Period.

For these calculations, the interest rate in effect on any U.S. Government Securities Business Day will be the applicable rate as reset on that date. The interest rate applicable to any other day is the interest rate from the immediately preceding U.S. Government Securities Business Day.

How Interest is Calculated for SONIA Notes: On each Interest Payment Date, accrued interest will be paid for the most recently completed Interest Payment Period. Interest on the Notes will accrue from and including the most recent Interest Payment Period End-Date to which interest has been paid or duly provided for, or, in the case of the first Interest Payment Period, from and including the interest commencement date. Interest will accrue to but excluding the next Interest Payment Period End-Date.

The Calculation Agent will notify the Principal Paying Agent of each determination of the interest rate applicable to the Notes promptly after the determination is made.

With respect to any Interest Payment Period, the "**SONIA Benchmark**" will be determined based on either SONIA Compound with Lookback or SONIA Compound with Observation Period Shift, as follows:

(1) If SONIA Compound with Lookback ("**SONIA Compound with Lookback**") is specified as applicable in the applicable Pricing Supplement, the SONIA Benchmark for each Interest Payment Period shall be equal to the value of the SONIA rates for each day during the relevant Interest Payment Period, compounded daily in accordance with the following formula (with the resulting percentage rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left(\prod_{i=1}^{d_0}\left(1+\frac{\mathrm{SONIA}_{i-\mathrm{pLBD}}\times n_i}{365}\right)-1\right)\times\frac{365}{d}$$

where:

"**d**" means the number of calendar days in the relevant Interest Payment Period;

"**d_0**" for any Interest Payment Period, means the number of London Banking Days in the relevant Interest Payment Period;

"**i**" is a series of whole numbers from one to d_0, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Payment Period;

"**n_i**" for any London Banking Day "i" in the relevant Interest Payment Period, means the number of calendar days from, and including, such day "i" up to, but excluding, the following London Banking Day ("**i+1**");

"**Lookback Days**" means the number of London Banking Days specified in the applicable Pricing Supplement;

"**SONIA**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day; and

"**SONIA$_i$-pLBD**" for any London Banking Day "i" in the relevant Interest Payment Period, is equal to the SONIA in respect of the London Banking Day falling a number of London Banking Days prior to that day "i" equal to the number of Lookback Days.

(2) If SONIA Compound Observation Period Shift ("**SONIA Compound Observation Period Shift**") is specified as applicable in the relevant Pricing Supplement, the SONIA Benchmark for each Interest Payment Period shall be equal to the value of the SONIA rates for each day during the relevant Observation Period, compounded daily in accordance with the following formula (with the resulting percentage rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left(\prod_{i=1}^{d_0}\left(1+\frac{\text{SONIA}_i \times n_i}{365}\right)-1\right)\times\frac{365}{d}$$

where:

"**d**" means the number of calendar days in the relevant Observation Period;

"**d_0**" for any Observation Period, means the number of London Banking Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to d_0, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Observation Period;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n_i**" for any London Banking Day "i" in the relevant Observation Period, means the number of calendar days from, and including, such day "i" up to, but excluding, the following London Banking Day ("**i+1**");

"**Observation Period**" means, in respect of each Interest Payment Period, the period from, and including, the date falling a number of London Banking Days equal to the Observation Shift Days preceding the first day of the such Interest Payment Period to, but excluding, the date falling a number of London Banking Days equal to the Observation Shift Days preceding the Interest Payment Date for such Interest Payment Period;

"**Observation Shift Days**" means the number of London Banking Days specified in the relevant Pricing Supplement; and

"**SONIA**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day; and

"**SONIA$_i$**" for any London Banking Day "i" in the relevant Observation Period, is equal to SONIA in respect of that day "i".

When Interest Is Paid. Morgan Stanley will pay interest on Floating Rate Notes on the Interest Payment Dates specified in the applicable Pricing Supplement. If the Original Issue Date of a registered note is between a record date and the next succeeding Interest Payment Date, interest payments will commence on the second succeeding Interest Payment Date and will be payable to the holder as of the record date next preceding such Interest Payment Date.

If a Payment Date Is Not a Business Day. The following provisions apply to Notes other than SOFR Notes and SONIA Notes.

If any scheduled Interest Payment Date, other than the maturity date or any earlier redemption or repayment date, for any Floating Rate Note falls on a day that is not a Business Day, it will be postponed to the following Business Day, except that, in the case of a EURIBOR Note or a LIBOR Note, if that Business Day would fall in the next calendar month, the Interest Payment Date will be the immediately preceding Business Day. If the scheduled maturity date or any earlier redemption or repayment date of a Floating Rate Note falls on a day that is not a Business Day, the payment of principal, premium, if any, and interest and/or

supplemental amounts, if any, will be made on the next succeeding Business Day, but interest on that payment will not accrue during the period from and after the maturity, redemption or repayment date.

Alternative Interest Accrual Calculation in Case of an Event of Default. In case an event of default with respect to each specified denomination principal amount of the Notes shall have occurred and be continuing, the amount declared due and payable for the Notes (the "**Stated Principal Amount**") upon any acceleration of the notes shall be determined by the Calculation Agent and shall be an amount in cash equal to the Stated Principal Amount plus accrued and unpaid interest thereon calculated as if the date of such acceleration were the Maturity Date, final Interest Payment Period End-Date (if applicable) and final Interest Payment Date.

Base Rates

CD Rate Notes

CD Rate Notes will bear interest at the interest rates specified in the CD Rate Notes and in the applicable Pricing Supplement. Those interest rates will be based on the CD Rate and any spread and/or spread multiplier and will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

The "**CD Rate**" means, for any Interest Determination Date, the rate on that date for negotiable U.S. Dollar certificates of deposit having the Index Maturity specified in the applicable Pricing Supplement as published by the U.S. Federal Reserve System (the "**Fed**") in "Statistical Release H.15(519), Selected Interest Rates", or any successor publication of the Board of Governors of the Federal Reserve System ("**H.15(519)**") under the heading "CDs (*Secondary Market*)".

The following procedures will be followed if the CD Rate cannot be determined as described above:

(i) If the above rate is not published in H.15(519) by 3:00 p.m., New York City time, on the Calculation Date, the CD Rate will be the rate on that Interest Determination Date set forth in the daily update of H.15(519), available through the world wide website of the Board of Governors of the Federal Reserve System at http://www.federalreserve.gov/ releases/h15/update or any successor site or publication ("**H.15 Daily Update**") for the Interest Determination Date for certificates of deposit having the Index Maturity specified in the applicable Pricing Supplement under the caption "CDs (*Secondary Market*)".

(ii) If the above rate is not yet published in either H.15(519) or the H.15 Daily Update by 3:00 p.m., New York City time, on the Calculation Date, the Calculation Agent will determine the CD Rate to be the arithmetic mean of the secondary market offered rates as of 10:00 a.m., New York City time, on that Interest Determination Date of three leading nonbank dealers in negotiable U.S. Dollar certificates of deposit in The City of New York, which may include the Distribution Agents or their affiliates, selected by the Calculation Agent, after consultation with Morgan Stanley, for negotiable U.S. Dollar certificates of deposit of major U.S. money center banks of the highest credit standing in the market for negotiable certificates of deposit with a remaining maturity closest to the Index Maturity specified in the applicable Pricing Supplement in an amount that is representative for a single transaction in that market at that time.

(iii) If the dealers selected by the Calculation Agent are not quoting as set forth above, the CD Rate for that Interest Determination Date will remain the CD Rate for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

Commercial Paper Rate Notes

Commercial Paper Rate Notes will bear interest at the interest rates specified in the Commercial Paper Rate Notes and in the applicable Pricing Supplement. Those interest rates will be based on the Commercial Paper Rate and any Spread and/or Spread Multiplier and will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

The "**Commercial Paper Rate**" means, for any Interest Determination Date, the Money Market Yield, calculated as described below, computed using the rate on that date for U.S. Dollar commercial paper having the Index Maturity specified in the applicable Pricing Supplement, as that rate is published in H.15(519), under the heading "*Commercial Paper — Nonfinancial*".

The following procedures will be followed if the Commercial Paper Rate cannot be determined as described above:

(i) If the above rate is not published by 3:00 p.m., New York City time, on the Calculation Date, then the Commercial Paper Rate will be the Money Market Yield computed using the rate on that Interest Determination Date for commercial paper of the Index Maturity specified in the applicable Pricing Supplement as published in the H.15 Daily Update, or other recognised electronic source used for the purpose of displaying the applicable rate, under the heading "*Commercial Paper — Nonfinancial*".

(ii) If by 3:00 p.m., New York City time, on that Calculation Date the rate is not yet published in either H.15(519) or the H.15 Daily Update, or other recognised electronic source used for the purpose of displaying the applicable rate, then the Calculation Agent will determine the Commercial Paper Rate to be the Money Market Yield computed using the arithmetic mean of the offered rates as of 11:00 a.m., New York City time, on that Interest Determination Date of three leading dealers of U.S. Dollar commercial paper in The City of New York, which may include the Distribution Agents or their affiliates, selected by the Calculation Agent, after consultation with Morgan Stanley, for commercial paper of the Index Maturity specified in the applicable Pricing Supplement, placed for an industrial issuer whose bond rating is "Aa" or the equivalent, from a nationally recognised statistical rating agency.

(iii) If the dealers selected by the Calculation Agent are not quoting as set forth above, the Commercial Paper Rate for that Interest Determination Date will remain the Commercial Paper Rate for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

The "**Money Market Yield**" will be a yield calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{\text{D x } 360}{360 - (\text{D x M})} \times 100$$

where "**D**" refers to the applicable per year rate for commercial paper quoted on a bank discount basis and expressed as a decimal and "**M**" refers to the actual number of days in the interest period for which interest is being calculated.

EURIBOR Notes

EURIBOR Notes will bear interest at the interest rates specified in the EURIBOR Notes and in the applicable Pricing Supplement. That interest rate will be based on EURIBOR and any Spread and/or Spread Multiplier and will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

"**EURIBOR**" means, for any Interest Determination Date, the rate for deposits in euros as sponsored, calculated and published by the European Money Markets Institute ("**EMMI**"), or any company established by EMMI for purposes of compiling and publishing those rates, for the Index Maturity specified in the applicable Pricing Supplement as that rate appears on the display on Reuters 3000 Xtra Service ("**Reuters**"), or any successor service, on page EURIBOR01 or any other page as may replace page EURIBOR01 on that service ("**Reuters Page EURIBOR01**") as of 11:00 a.m., Brussels time.

The following procedures will be followed if the rate cannot be determined as described above:

(i) If the above rate does not appear, the Calculation Agent will request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market, as selected by the Calculation Agent, after consultation with Morgan Stanley, to provide the Calculation Agent with its offered rate for deposits in euros, at approximately 11:00 a.m., Brussels time, on the Interest Determination Date, to prime banks in the Euro-zone interbank market for the Index Maturity specified in the applicable Pricing Supplement commencing on the applicable Interest Reset Date, and in a principal amount not less than the equivalent of U.S.$1 million in euro that is representative of a single transaction in euro, in that market at that time. If at least two quotations are provided, EURIBOR will be the arithmetic mean of those quotations.

(ii) If fewer than two quotations are provided, EURIBOR will be the arithmetic mean of the rates quoted by four major banks in the Euro-zone interbank market, as selected by the Calculation Agent, after consultation with Morgan Stanley, at approximately 11:00 a.m., Brussels time, on the applicable Interest Reset Date for loans in euro to leading European banks for a period of time equivalent to the Index Maturity specified in the applicable Pricing Supplement commencing on that Interest Reset Date in a principal amount not less than the equivalent of U.S.$1 million in euro.

(iii) If the banks selected by the Calculation Agent are not quoting as set forth above, EURIBOR for that Interest Determination Date will remain EURIBOR for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

"**Euro-zone**" means the region comprising Member States of the European Union that have adopted the single currency in accordance with the Treaty.

Federal Funds Rate Notes

Federal Funds Rate Notes will bear interest at the interest rates specified in the Federal Funds Rate Notes and in the applicable Pricing Supplement. Those interest rates will be based on the Federal Funds Rate and any Spread and/or Spread Multiplier and will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

The "**Federal Funds Rate**" means, for any Interest Determination Date, the rate on that date for U.S. Dollar Federal Funds as published in H.15(519) under the heading "*Federal Funds (Effective)*" as displayed on Reuters, or any successor service, on page FEDFUNDS1 or any other page as may replace the applicable page on that service, which is commonly referred to as "Reuters Page FEDFUNDS1".

The following procedures will be followed if the Federal Funds Rate cannot be determined as described above:

(i) If the above rate is not published by 3:00 p.m., New York City time, on the Calculation Date, the Federal Funds Rate will be the rate on that Interest Determination Date as published in the H.15 Daily Update, or other recognised electronic source used for the purpose of displaying the applicable rate, under the heading "*Federal Funds (Effective)*".

(ii) If the above rate is not yet published in either H.15(519) or the H.15 Daily Update, or other recognised electronic source used for the purpose of displaying the applicable rate, by 3:00 p.m., New York City time, on the Calculation Date, the Calculation Agent will determine the Federal Funds Rate to be the arithmetic mean of the rates for the last transaction in overnight U.S. Dollar federal funds prior to 9:00 a.m., New York City time, on that Interest Determination Date by each of three leading brokers of U.S. Dollar Federal Funds transactions in The City of New York, which may include the Distribution Agents or their affiliates, selected by the Calculation Agent, after consultation with Morgan Stanley.

(iii) If the brokers selected by the Calculation Agent are not quoting as set forth above, the Federal Funds Rate for that Interest Determination Date will remain the Federal Funds Rate for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

Federal Funds (Open) Rate Notes.

Federal Funds (Open) Rate Notes will bear interest at the interest rates specified in the Federal Funds (Open) Rate Notes and in the Pricing Supplement. Those interest rates will be based on the Federal Funds (Open) Rate and any Spread and/or Spread Multiplier and will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

The "**Federal Funds (Open) Rate**" means, for any Interest Determination Date, the rate on that date for U.S. Dollar Federal Funds as published in H.15(519) under the heading "Federal Funds (Open)" as displayed by Reuters or any successor service, on page 5 or any other page as may replace the applicable page on that service ("**Reuters page 5**").

The following procedures will be followed if the Federal Funds (Open) Rate cannot be determined as described above:

(i) If the above rate is not published by 3.00 p.m., New York City time, on the Calculation Date, the Federal Funds (Open) Rate will be the rate on that Interest Determination Date as published in the H.15 Daily Update, or other recognised electronic source used for the purpose of displaying the applicable rate, under the heading "*Federal Funds (Open)*".

(ii) If the above rate is not yet published in either H.15(519) or the H.15 Daily Update, or other recognised electronic source used for the purpose of displaying the applicable rate, by 3.00 p.m., New York City time, on the Calculation Date, the Calculation Agent will determine the Federal Funds (Open) Rate to be the arithmetic mean of the rates for the last transaction in overnight U.S. Dollar Federal Funds, based on the Federal Funds (Open) Rate prior to 9.00 a.m., New York City time, on that Interest Determination Date, by each of three leading brokers of U.S. Dollar Federal Funds transactions in The City of New York, which may include the Distribution Agent or their affiliates, selected by the Calculation Agent, after consultation with Morgan Stanley.

(iii) If the brokers selected by the Calculation Agent are not quoting as set forth above, the Federal Funds (Open) Rate for that Interest Determination Date will remain the Federal Funds (Open) Rate for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

LIBOR Notes

LIBOR Notes will bear interest at the interest rates specified in the LIBOR Notes and in the applicable Pricing Supplement. That interest rate will be based on London Interbank Offered Rate ("**LIBOR**") and any Spread and/or Spread Multiplier and will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

"**LIBOR**" means, for any Interest Determination Date, the arithmetic mean of the offered rates for deposits in the Index Currency having the Index Maturity designated in the applicable Pricing Supplement, commencing on the second London banking day immediately following that Interest Determination Date or, if Sterling is the Index Currency, commencing on that Interest Determination Date, that appear on the Designated LIBOR Page as of 11:00 a.m., London time, on that Interest Determination Date, if at least two offered rates appear on the Designated LIBOR Page, provided that if the specified Designated LIBOR Page, as defined below, by its terms provides only for a single rate, that single rate will be used.

(i) If (i) fewer than two offered rates appear or (ii) no rate appears and the Designated LIBOR Page by its terms provides only for a single rate, then the Calculation Agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the Calculation Agent, after consultation with Morgan Stanley, to provide the Calculation Agent with its offered quotation for deposits in the Index Currency for the period of the Index Maturity specified in the applicable Pricing Supplement commencing on the second London banking day immediately following the Interest Determination Date or, if Sterling is the Index Currency, commencing on that Interest Determination Date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that Interest Determination Date and in a principal amount that is representative of a single transaction in that Index Currency in that market at that time. If at least two quotations are provided, LIBOR determined on that Interest Determination Date will be the arithmetic mean of those quotations.

(ii) If fewer than two quotations are provided as described in the prior paragraph, LIBOR will be determined for the applicable Interest Reset Date as the arithmetic mean of the rates quoted at approximately 11:00 a.m., London time, or some other time specified in the applicable Pricing Supplement, in the applicable principal financial center for the country of the Index Currency on that Interest Reset Date, by three major banks in that principal financial center selected by the Calculation Agent, after consultation with Morgan Stanley, for loans in the Index Currency to leading European banks, having the Index Maturity specified in the applicable Pricing Supplement and in a principal amount that is representative of a single transaction in that Index Currency in that market at that time.

(iii) If the banks so selected by the Calculation Agent are not quoting as set forth above, LIBOR for that Interest Determination Date will remain LIBOR for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

The "**Index Currency**" means the currency specified in the applicable Pricing Supplement as the currency for which LIBOR will be calculated, or, if the euro is substituted for that currency, the Index Currency will be the euro. If that currency is not specified in the applicable Pricing Supplement, the Index Currency will be U.S. Dollars.

"**Designated LIBOR Page**" means the display on Reuters, or any successor service, on page LIBOR01 or any other page as may replace that page on that service for the purpose of displaying the London interbank rates of major banks for the applicable Index Currency.

Fallback arrangements where the Base Rate is LIBOR and the Index Currency is U.S. Dollars

The following provisions apply where the Base Rate is LIBOR and the Index Currency is US Dollars:

(a) *Benchmark Replacement.* If the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.

(b) *Benchmark Replacement Conforming Changes.* In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.

(c) *Decisions and Determinations.* Any determination, decision or election that may be made by the Issuer or its designee pursuant to this section titled "*Fallback arrangements where the Notes are denominated in U.S. Dollars and the Relevant Rates Benchmark is LIBOR*", 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 the Issuer's or its designee'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.

As used in this section titled "*Fallback arrangements where the Base Rate is LIBOR and the Index Currency is U.S. Dollars*":

"**Benchmark**" means, initially, LIBOR with the applicable Index Maturity; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR with the applicable Index Maturity or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

"**Benchmark Replacement**" means the Interpolated Benchmark with respect to the then current Benchmark, plus the Benchmark Replacement Adjustment for such Benchmark; provided that if the Issuer or its designee cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(a) the sum of: (i) Term SOFR and (ii) the Benchmark Replacement Adjustment;

(b) the sum of: (i) Compounded SOFR and (ii) the Benchmark Replacement Adjustment;

(c) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (ii) the Benchmark Replacement Adjustment;

(d) the sum of: (i) the ISDA Fallback Rate and (ii) the Benchmark Replacement Adjustment;

(e) the sum of: (i) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. Dollar-denominated floating rate notes at such time and (ii) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(b) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;

(c) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. Dollar-denominated floating rate notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the "Interest Payment Period" specified in the applicable Pricing Supplement, timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Interest Payment Period, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of limb (a) or (b) of the definition of "Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or

(b) in the case of limb (c) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

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

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Compounded SOFR**" means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate being established by the Issuer or its designee in accordance with:

(a) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:

(b) if, and to the extent that, the Issuer or its designee determines that Compounded SOFR cannot be determined in accordance with clause (a) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer or its designee giving due consideration to any industry-accepted market practice for U.S. Dollar denominated floating rate notes at such time;

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

"**Federal Reserve Bank of New York's Website**" means the website of the Federal Reserve Bank of New York currently at http://www.newyorkfed.org, or any successor source;

"**Interpolated Benchmark**" with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (a) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (b) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor;

"**ISDA Fallback Adjustment**" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (a) if the Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such determination, and (b) if the Benchmark is not LIBOR, the time determined by the Issuer or its designee in accordance with the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

"**SOFR**" means, with respect to any day, the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website;

"**Term SOFR**" means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

SOFR Notes

SOFR Notes will bear interest at the interest rates specified in the SOFR Notes and in the applicable Pricing Supplement. Those interest rates will be based on SOFR and any Spread and/or Spread Multiplier and will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

"**SOFR**" means, with respect to any U.S. Government Securities Business Day:

(1) the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day as provided by the New York Federal Reserve, as the administrator of such rate (or a successor administrator) on the New York Federal Reserve's Website on or about 5:00 p.m. (New York time) on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day; or

(2) if the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day does not appear as specified in paragraph (1), unless both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website; or

(3) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred:

(A) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment; or

(B) the sum of (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or.

(C) the sum of (a) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry- accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment.

Where:

"**Benchmark**" means the Secured Overnight Financing Rate with the applicable period of maturity (which shall be daily); provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Secured Overnight Financing Rate with the applicable period of maturity (which shall be daily) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(a) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (ii) the Benchmark Replacement Adjustment;

(b) the sum of: (i) the ISDA Fallback Rate and (ii) the Benchmark Replacement Adjustment;

(c) the sum of: (i) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. Dollar-denominated floating rate notes at such time and (ii) the Benchmark Replacement Adjustment.

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(b) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;

(c) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. Dollar-denominated floating rate notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the "Interest Payment Period", timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Interest Payment Period, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of limb (a) or (b) of the definition of "Benchmark Transition Event" below, the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or

(b) in the case of limb (c) of the definition of "Benchmark Transition Event" below, the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the

Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Business Day**" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in The City of New York

"**Corresponding Tenor**" means, with respect to a Benchmark Replacement, a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

"**Federal Reserve Bank of New York's Website**" means the website of the Federal Reserve Bank of New York currently at http://www.newyorkfed.org, or any successor source;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**New York Federal Reserve**" means the Federal Reserve Bank of New York;

"**Reference Time**" means, with respect to any determination of the Benchmark, the time determined by the Issuer or its designee in accordance with the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, any determination, decision or election that may be made by the Issuer or its designee pursuant to this section "*Determination of SOFR*," 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:

(a) will be conclusive and binding absent manifest error;

(b) will be made in the Issuer's or its designee's sole discretion; or

(c) 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.

SONIA Notes

SONIA Notes will bear interest at the interest rates specified in the SONIA Notes and in the applicable Pricing Supplement. Those interest rates will be based on SOFR and any Spread and/or Spread Multiplier and will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

"SONIA", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day.

Fallback arrangements other than where the Base Rate is either (i) SOFR or (ii) LIBOR and the Index Currency is U.S. Dollars

Except as provided above, (a) if LIBOR, EURIBOR or SONIA, as applicable, has been permanently discontinued, or (b) in the case of LIBOR Notes only where the Index Currency is other than U.S. Dollars , upon the occurrence of a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR announcing that the relevant LIBOR is no longer representative, the Calculation Agent will use, as a substitute for such LIBOR, EURIBOR or SONIA (as the case may be) and for each future Interest Determination Date, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction of the applicable index currency that is consistent with accepted market practice (the "**Alternative Rate**"). The Calculation Agent will, after consultation with the Issuer, make such adjustments to the Alternative Rate or the Spread, as well as the applicable business day convention, Interest Determination Dates and related provisions and definitions of the Notes, in each case that are consistent with accepted market practice for the use of such Alternative Rate for debt obligations such as the Notes. However, in the case of EURIBOR only, if the Calculation Agent determines, after consultation with the Issuer, that no such Alternative Rate exists on the relevant date, it shall make a determination, after consultation with the Issuer, of an alternative rate as a substitute for EURIBOR, for debt obligations such as the Notes, as well as the Spread, the business day convention and the Interest Determination Dates in respect of the Notes, that is consistent with accepted market practice.

Prime Rate Notes

Prime Rate Notes will bear interest at the interest rates specified in the Prime Rate Notes and in the applicable Pricing Supplement. That interest rate will be based on the Prime Rate and any Spread and/or Spread Multiplier, and will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

The "**Prime Rate**" means, for any Interest Determination Date, the rate on that date as published in H.15(519) under the heading "Bank Prime Loan".

The following procedures will be followed if the Prime Rate cannot be determined as described above:

(i) If the above rate is not published prior to 3:00 p.m., New York City time, on the Calculation Date, the Prime Rate will be the rate on that Interest Determination Date as published in H.15 Daily Update under the heading "*Bank Prime Loan*".

(ii) If the above rate is not published in either H.15(519) or the H.15 Daily Update by 3:00 p.m., New York City time, on the Calculation Date, the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Page US PRIME 1, as defined below, as that bank's Prime Rate or base lending rate as in effect for that Interest Determination Date.

(iii) If fewer than four rates for that Interest Determination Date appear on the Reuters Page US PRIME 1 by 3:00 p.m., New York City time, on the Calculation Date, the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the Prime Rates quoted on the basis of the actual number of days in the year divided by 360 as of the close of business on that Interest Determination Date by at least three major banks in The City of New York, which may include the Distribution Agents or their affiliates, selected by the Calculation Agent, after consultation with Morgan Stanley.

(iv) If the banks selected by the Calculation Agent are not quoting as set forth above, the Prime Rate for that Interest Determination Date will remain the Prime Rate for the immediately preceding

Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

"**Reuters Page US PRIME 1**" means the display designated as page "US PRIME 1" on Reuters, or any successor service, or any other page as may replace the US PRIME 1 page on that service for the purpose of displaying Prime Rates or base lending rates of major U.S. banks.

Treasury Rate Notes

Treasury Rate Notes will bear interest at the interest rates specified in the Treasury Rate Notes and in the applicable Pricing Supplement. That interest rate will be based on the Treasury Rate and any Spread and/or Spread Multiplier and will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

The "**Treasury Rate**" means:

(i) the rate from the auction held on the applicable Interest Determination Date (the "**Auction**") of direct obligations of the United States ("**Treasury Bills**") having the Index Maturity specified in the applicable Pricing Supplement as that rate appears under the caption "INVESTMENT RATE" on the display on Reuters Page USAUCTION 10 or on Reuters Page USAUCTION11 or such other page or pages as may replace Reuters Page USAUCTION10 or Reuters Page USAUCTION11 on that service, or any successor service, for the purpose of displaying such information; or

(ii) if the rate described in the first bullet point is not published by 3:00 p.m., New York City time, on the Calculation Date, the bond equivalent yield of the auction rate for the applicable Treasury Bills as published in the H.15 Daily Update, or other recognised electronic source used for the purpose of displaying the applicable rate, under the caption "U.S. Government Securities/Treasury Bills/Auction High"; or

(iii) if the rate described in the second bullet point is not published by 3:00 p.m., New York City time, on the related Calculation Date, the bond equivalent yield of the auction rate of the applicable Treasury Bills, announced by the United States Department of the Treasury; or

(iv) if the rate referred to in the third bullet point is not announced by the United States Department of the Treasury, or if the Auction is not held, the bond equivalent yield of the auction rate on the applicable Interest Determination Date of Treasury Bills having the Index Maturity specified in the applicable Pricing Supplement published in H.15(519) under the caption "U.S. Government Securities/Treasury Bills/Secondary Market"; or

(v) if the rate referred to in the fourth bullet point is not published by 3:00 p.m., New York City time, on the related Calculation Date, the rate on the applicable Interest Determination Date of the applicable Treasury Bills as published in H.15 Daily Update, or other recognised electronic source used for the purpose of displaying the applicable rate, under the caption "U.S. Government Securities/Treasury Bills/Secondary Market"; or

(vi) if the rate referred to in the fifth bullet point is not published by 3:00 p.m., New York City time, on the related Calculation Date, the rate on the applicable Interest Determination Date calculated by the Calculation Agent as the bond equivalent yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m., New York City time, on the applicable Interest Determination Date, of three primary U.S. government securities dealers, which may include the Distribution Agents or their affiliates, selected by the Calculation Agent (after consultation with Morgan Stanley), for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the applicable Pricing Supplement; or

(vii) if the dealers selected by the Calculation Agent are not quoting as set forth above, the Treasury Rate for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

The "**bond equivalent yield**" means a yield calculated in accordance with the following formula and expressed as a percentage:

$$\text{Money Market Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis, "N" refers to 365 or 366, as the case may be, and "M" refers to the actual number of days in the interest period for which interest is being calculated.

CMT Rate Notes

CMT Rate Notes will bear interest at the interest rates specified in the CMT Rate Notes and in the applicable Pricing Supplement. That interest rate will be based on the CMT Rate and any Spread and/or Spread Multiplier and will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

The "**CMT Rate**" means, for any Interest Determination Date, any of the following rates displayed on the Designated CMT Reuters Page, as defined below, under the caption ". . . Treasury Constant Maturities . . . Federal Reserve Board Release H.15 . . . Mondays Approximately 3:45 p.m.", under the column for the Designated CMT Maturity Index, as defined below, for:

(1) the rate on that Interest Determination Date, if the Designated CMT Reuters Page is the Reuters Page FRBCMT; and

(2) the week or the month, as applicable, ended immediately preceding the week in which the related Interest Determination Date occurs, if the Designated CMT Reuters Page is the Reuters Page FEDCMT.

The following procedures will be followed if the CMT Rate cannot be determined as described above:

(i) If the above rate is no longer displayed on the relevant page, or if not displayed by 3:00 p.m., New York City time, on the Calculation Date, then the CMT Rate will be the Treasury Constant Maturities rate for the Designated CMT Maturity Index as published in the relevant H.15(519).

(ii) If the above rate described in the first bullet point is no longer published, or if not published by 3:00 p.m., New York City time, on the related Calculation Date, then the CMT Rate will be the Treasury Constant Maturities Rate for the Designated CMT Maturity Index or other U.S. Treasury rate for the Designated CMT Maturity Index, on the Interest Determination Date for the related Interest Reset Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Designated CMT Reuters Page and published in the relevant H.15(519).

(iii) If the information set forth above is not provided by 3:00 p.m., New York City time, on the related Calculation Date, then the Calculation Agent will determine the CMT Rate to be a yield to maturity, based on the arithmetic mean of the secondary market closing offer side prices as of approximately 3:30 p.m., New York City time, on the Interest Determination Date reported, according to their written records, by three leading primary U.S. government securities dealers (the "**Reference Dealers**") in The City of New York, which may include the Distribution Agents or their affiliates, selected by the Calculation Agent as described in the following sentence. The Calculation Agent will select five Reference Dealers, after consultation with Morgan Stanley, and will eliminate the highest quotation or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for the most recently issued direct noncallable fixed rate obligations of the United States ("**Treasury Notes**") with an original maturity of approximately the Designated CMT Maturity Index, a remaining term to maturity of no more than 1 year shorter than the Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in the securities in that market at that time. If two Treasury Notes with an original maturity as described above have remaining terms to maturity equally close to the Designated CMT Maturity Index, the quotes for the Treasury Note with the shorter remaining term to maturity will be used.

(iv) If the Calculation Agent cannot obtain three Treasury Notes quotations as described in the immediately preceding paragraph, the Calculation Agent will determine the CMT Rate to be a yield to maturity based on the arithmetic mean of the secondary market offer side prices as of

approximately 3:30 p.m., New York City time, on the Interest Determination Date of three Reference Dealers in The City of New York, selected using the same method described in the immediately preceding paragraph, for Treasury Notes with an original maturity equal to the number of years closest to but not less than the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in the securities in that market at that time.

(v) If three or four, and not five, of the Reference Dealers are quoting as described above, then the CMT Rate for that Interest Determination Date will be based on the arithmetic mean of the offer prices obtained and neither the highest nor the lowest of those quotes will be eliminated.

(vi) If fewer than three Reference Dealers selected by the Calculation Agent are quoting as described above, the CMT Rate for that Interest Determination Date will remain the CMT Rate for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

"**Designated CMT Reuters Page**" means the display on the Reuters page, or any successor service, specified in the applicable Pricing Supplement or any other page as may replace that page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519). If no Reuters page is specified in the applicable Pricing Supplement, the Designated CMT Reuters Page will be the Reuters Page FEDCMT, for the most recent week.

"**Designated CMT Maturity Index**" means the original period to maturity of the U.S. Treasury Securities, which is either 1, 2, 3, 5, 7, 10, 20 or 30 years, as specified in the applicable Pricing Supplement, for which the CMT Rate will be calculated. If no maturity is specified in the applicable Pricing Supplement, the Designated CMT Maturity Index will be two years.

Exchangeable Notes

Morgan Stanley may issue Notes that are optionally or mandatorily exchangeable (the "**Exchangeable Notes**") into:

(i) the securities of an entity not affiliated with Morgan Stanley;

(ii) a basket of those securities;

(iii) an index or indices of those securities; or

(iv) any combination of the above.

The Exchangeable Notes may or may not bear interest or be issued with original issue discount or at a premium. The general terms of the Exchangeable Notes are as described below. The particular terms of any Exchangeable Notes, including the procedures for exercising any exchange right and for calculating and delivering any securities to be delivered upon exchange, will be set forth in the applicable Pricing Supplement.

Optionally Exchangeable Notes. The holder of an optionally Exchangeable Note (the "**Optionally Exchangeable Notes**") may, during a period, or at specific times, exchange the Notes for the underlying property at a specified rate of exchange. If specified in the applicable Pricing Supplement, Morgan Stanley will have the option to redeem the Optionally Exchangeable Note prior to maturity. If the holder of an Optionally Exchangeable Note does not elect to exchange the Note prior to maturity or any applicable redemption date, the holder will receive the principal amount of the Note plus any accrued interest at maturity or upon redemption.

Credit-Linked Notes. Morgan Stanley may issue Credit-Linked Notes. The terms of Credit-Linked Notes will be specified in the applicable Pricing Supplement.

ETN-Linked Notes. Morgan Stanley may issue ETN-Linked Notes. The terms of ETN-Linked Notes will be specified in the applicable Pricing Supplement.

Mandatorily Exchangeable Notes. At maturity, the holder of a mandatorily Exchangeable Note (the "**Mandatorily Exchangeable Notes**") must exchange the Note for the underlying property at a specified

rate of exchange, and, therefore, depending upon the value of the underlying property at maturity, the holder of a Mandatorily Exchangeable Note may receive less than the principal amount of the Note at maturity. If so indicated in the applicable Pricing Supplement, the specified rate at which a Mandatorily Exchangeable Note may be exchanged may vary depending on the value of the underlying property so that, upon exchange, the holder participates in a percentage, which may be less than, equal to, or greater than 100 per cent. of the change in value of the underlying property. Mandatorily Exchangeable Notes may include Notes where Morgan Stanley has the right, but not the obligation, to require holders of Notes to exchange the Notes for the underlying property.

Payments upon Exchange. The applicable Pricing Supplement will specify if upon exchange, at maturity or otherwise, the holder of an Exchangeable Note may receive, at the specified exchange rate, either the underlying property or the cash value of the underlying property. The underlying property may be the securities of either U.S. or foreign entities or both. The Exchangeable Notes may or may not provide for protection against fluctuations in the exchange rate between the currency in which that Note is denominated and the currency or currencies in which the market prices of the underlying security or securities are quoted. Exchangeable Notes may have other terms, which will be specified in the applicable Pricing Supplement. Exchangeable Notes for which a holder may receive the underlying property will not be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market unless a supplement to the Offering Circular about the underlying property has been approved by Euronext Dublin.

Special Requirements for Exchange of Global Registered Notes. If an Optionally Exchangeable Note is represented by a global registered note that remain on deposit with a common depositary or specified depositary, as the case may be, for the Relevant Clearing System, the beneficial owner must exercise the right to exchange through the Relevant Clearing System. In order to ensure that the Relevant Clearing System will timely exercise a right to exchange a particular Optionally Exchangeable Note or any portion of a particular Optionally Exchangeable Note, the beneficial owner of the Optionally Exchangeable Note must instruct the broker or other direct or indirect participant through which it holds an interest in that Optionally Exchangeable Note to notify the Relevant Clearing System of its desire to exchange in accordance with the then applicable operating procedures of the Relevant Clearing System. Different firms have different deadlines for accepting instructions from their customers. Each beneficial owner should consult the broker or other participant through which it holds an interest in an Optionally Exchangeable Note in order to ascertain the deadline for ensuring that timely notice will be delivered to the Relevant Clearing System.

Payments upon Acceleration of Maturity or upon Tax Redemption. If the principal amount payable at maturity of any Exchangeable Note is declared due and payable prior to maturity as a result of an acceleration or tax redemption, the amount payable will be determined as set forth in the applicable Pricing Supplement.

Credit-Linked Notes, ETN-Linked Notes, Commodity-Linked Notes, Futures Contract-Linked Notes and Equity and Proprietary Index-Linked Notes

Morgan Stanley may issue Notes with the principal amount payable on any principal payment date and/or the amount of interest payable on any Interest Payment Date to be determined by reference to the credit of one or more specified entities not affiliated with Morgan Stanley, to one or more ETNs, to one or more commodity prices, to futures contracts, securities of entities not affiliated with Morgan Stanley (as well as, in the case of Series B Notes, securities of an entity that is affiliated with Morgan Stanley), baskets of those securities or futures contracts or indices of those securities or other indices. These Notes may include other terms, which will be specified in the applicable Pricing Supplement or a drawdown prospectus, if required.

Currency-Linked Notes

Morgan Stanley may issue Notes with the principal amount payable on any principal payment date, and/or the amount of interest payable on any interest payment date to be determined by reference to the value of one or more currencies as compared to the value of one or more other currencies. The applicable Pricing Supplement will specify the following:

(i) information as to the one or more currencies to which the principal amount payable on any principal payment date or the amount of interest payable on any interest payment date is linked or indexed;

(ii) the currency in which the face amount of the Currency-Linked Note is denominated (the "**Denominated Currency**");

(iii) the currency in which principal on the Currency-Linked Note will be paid (the "**Payment Currency**");

(iv) the interest rate per annum and the dates on which Morgan Stanley will make interest payments;

(v) specific historic exchange rate information and any currency risks relating to the specific currencies selected; and

(vi) additional U.S. federal income tax considerations, if any.

The Denominated Currency and the Payment Currency may be the same currency or different currencies. Interest on Currency-Linked Notes will be paid in the Denominated Currency.

Redemption and Repurchase of Notes

Optional Redemption by Morgan Stanley. The applicable Pricing Supplement will indicate either that the Notes cannot be redeemed prior to maturity, other than as provided under "— Tax Redemption" below or in certain circumstances following the occurrence of an Administrator/Benchmark Event or relevant adjustment events applicable to the Program Securities, or will indicate the terms of Morgan Stanley's option to redeem the Notes subject always to compliance with all applicable laws and regulations and the requirements of each listing authority, stock exchange and/or quotation system (if any) by which the relevant Notes have been admitted to listing, trading and/or quotation. Morgan Stanley will give notice of redemption as described below. The Notes, except for Amortising Notes, will not be subject to any sinking fund.

Notice of Redemption. Notice of redemption shall be given to holders of registered notes designated for redemption in the manner described under "Notices" below, and such notice will be given either not less than 30 nor more than 60 calendar days prior to the date fixed for redemption or within the redemption notice period specified in the Pricing Supplement.

Repayment at Option of Holder. If applicable, the applicable Pricing Supplement will indicate that the holder has the option to have Morgan Stanley repay the Notes on a date or dates specified prior to their maturity date. The repayment price will be equal to 100 per cent. of the principal amount of the Notes, together with accrued interest to the date of repayment. For Notes issued with original issue discount, the applicable Pricing Supplement will specify the amount payable upon a repayment.

For Morgan Stanley to repay a Note, the applicable paying agent must receive at least 15 days but not more than 30 days prior to the repayment date, or within the repayment notice period designated in the applicable Pricing Supplement, the Note with the form entitled "Option to Elect Repayment" on the reverse of the Note duly completed, together with any unmatured coupons.

Exercise of the repayment option by the holder of a Note will be irrevocable. The holder may exercise the repayment option for less than the entire principal amount of the Note but, in that event, the principal amount of the Note remaining outstanding after repayment must be an authorised denomination.

Special Requirements for Optional Repayment of Global Registered Notes. If a Note is represented by a global registered note that remains on deposit with a common depositary, or specified depositary, as the case may be, for the Relevant Clearing System, the beneficial owner must exercise the right to have Morgan Stanley repay that Note through the Relevant Clearing System. In order to ensure that the Relevant Clearing System will timely exercise a right to have Morgan Stanley repay a particular Note or any portion of a particular Note, the beneficial owner of the Note must instruct the broker or other direct or indirect participant through which it holds an interest in that Note to notify the Relevant Clearing System of its desire to have Morgan Stanley repay such Note or any portion of such Note in accordance with the then applicable operating procedures of the Relevant Clearing System. Different firms have different deadlines for accepting instructions from their customers. Each beneficial owner should consult the broker or other participant through which it holds an interest in a Note in order to ascertain the deadline for ensuring that timely notice will be delivered to the Relevant Clearing System.

Open Market Purchases by Morgan Stanley. Morgan Stanley may purchase Notes at any price in the open market or otherwise. Notes so purchased by Morgan Stanley may, at the discretion of Morgan Stanley, be held or resold or surrendered to the Trustee for cancellation.

Redenomination

Application. The following is applicable to the Notes only if specified in the applicable Pricing Supplement as being applicable.

Notice of redenomination. If the country of the Specified Currency becomes or, announces its intention to become, a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty (a "**Participating Member State**"), Morgan Stanley may, without the consent of the Noteholders, on giving at least 30 days' prior notice to the Noteholders and the paying agents, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.

Redenomination. From the Redenomination Date:

(i) the Notes shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the specified currency, converted into euro at the rate for conversion of such currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Union regulations); provided, however, that, if Morgan Stanley determines that the then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and Morgan Stanley shall promptly notify the Noteholders, each listing authority, stock exchange and/or quotation system (if any) by which the Notes have been admitted to listing, trading and/or quotation and the paying agents of such deemed amendments; and

(ii) all payments in respect of the Notes (other than, unless the redenomination date is on or after such date as the Specified Currency ceases to be a sub division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro by check drawn on, or by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial center of any Member State of the European Union.

Redenomination: Following redenomination of the Notes, where Notes have been issued in definitive form, the amount of interest due in respect of such Notes will be calculated by reference to the aggregate principal amount of the Notes presented for payment by the relevant holder

Interest Determination Date. If the Note is a Floating Rate Note, with effect from the redenomination date the Interest Determination Date shall be deemed to be the second TARGET Settlement Day before the first day of the relevant Interest Payment Period.

Tax Redemption

All Notes. Notes may be redeemed as a whole (but not in part), at the option of Morgan Stanley at any time prior to maturity, upon the giving of a notice of redemption as described below if Morgan Stanley determines that, as a result of:

(i) any change in or amendment to the laws, (including a holding, judgment or order by a court of competent jurisdiction), or any regulations or rulings promulgated under the laws, of the United States or of any political subdivision or taxing authority of or in the United States affecting taxation, or

(ii) any change in official position regarding the application or interpretation of the laws, regulations or rulings referred to above,

which change or amendment becomes effective on or after the date of the applicable Pricing Supplement in connection with the issuance of the Notes or any other date specified in the applicable Pricing Supplement, Morgan Stanley is or will become obligated to pay Additional Amounts with respect to the Notes, as

described below under " — *Payment of Additional Amounts*". The redemption price will be equal to 100 per cent. of the principal amount of the Notes, except as otherwise specified in the applicable Pricing Supplement or unless the Note is an Original Issue Discount Note or an Exchangeable Note, together with accrued interest to the date fixed for redemption. See "*Description of New York Law Notes — Interest and Principal Payments—Original Issue Par Notes*" and "*Exchangeable Notes—Payments upon Acceleration of Maturity or upon Tax Redemption*" above for information on Original Issue Par Notes and Exchangeable Notes. Morgan Stanley will give notice of any tax redemption.

Prior to giving notice of tax redemption, Morgan Stanley will deliver to the Trustee, with a copy to the Principal Paying Agent:

(i) a certificate stating that Morgan Stanley is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to the right of Morgan Stanley to so redeem have occurred (the date on which that certificate is delivered to the Trustee is the "**Redemption Determination Date**"); and

(ii) an opinion of independent legal counsel of recognised standing to that effect based on the statement of facts.

Notice of redemption will be given not less than 30 nor more than 60 days prior to the date fixed for redemption. The date and the applicable redemption price will be specified in the notice, which will be given in accordance with " — Notices" below.

Payment of Additional Amounts

Additional Amounts. If specified in the applicable Pricing Supplement, Morgan Stanley will, subject to certain exceptions and limitations set forth below, pay those additional amounts (the "**Additional Amounts**") to Noteholders who are U.S. Aliens as may be necessary in order that every net payment of the principal of and interest on the Note and any other amounts payable by or on behalf of the relevant Issuer or the Guarantor on the Note after withholding for or on account of any tax, assessment or governmental charge imposed upon or as a result of that payment by the United States or any political subdivision or taxing authority thereof or therein, will not be less than the amount provided for in the Note to be then due and payable under the Notes. For the avoidance of doubt, if not so provided in the applicable Pricing Supplement, Additional Amounts as provided in this section (*Additional Amounts*) shall not be payable.

Morgan Stanley will not, however, be required to make any payment of Additional Amounts to any Noteholder for or on account of:

(i) any tax, assessment or other governmental charge that would not have been so imposed but for:

(a) the existence of any present or former connection between the holder or beneficial owner, or between a fiduciary, settlor, beneficiary, member or shareholder of the holder or beneficial owner, if the holder or beneficial owner is an estate, a trust, a partnership or a corporation, and the United States and its possessions, including, without limitation, the holder or beneficial owner, or such fiduciary, settlor, beneficiary, member or shareholder, being or having been a citizen or resident of the United States or being or having been engaged in the conduct of a trade or business or present in the United States or having, or having had, a permanent establishment in the United States; or

(b) the presentation by the Noteholder for payment on a date more than 15 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(ii) any estate, inheritance, gift, sales, transfer, capital gains, corporation, income or personal property tax or any similar tax, assessment or governmental charge;

(iii) any tax, assessment or other governmental charge imposed by reason of the holder's or beneficial owner's past or present status as a personal holding company or controlled foreign corporation or passive foreign investment company with respect to the United States or as

a corporation that accumulates earnings to avoid U.S. federal income tax or as a private foundation or other tax exempt organisation;

(iv) any tax, assessment or other governmental charge that is payable otherwise than by withholding from payments on or in respect of any Note;

(v) any tax, assessment or other governmental charge that would not have been imposed but for the failure to comply with certification, information or other reporting requirements concerning the nationality, residence or identity of the holder or beneficial owner of that Note, if compliance is required by statute or by regulation of the United States or of any political subdivision or taxing authority thereof or therein as a precondition to relief or exemption from the tax, assessment or other governmental charge;

(vi) any withholding tax imposed under sections 1471 through 1474 of the Code or any agreement with the IRS pursuant to these Code sections, any applicable U.S. Treasury regulations promulgated thereunder or published administrative guidance implementing such sections and any analogous provisions of non-U.S. laws (including withholding resulting from any inter-governmental agreement or an individual agreement with a taxing authority in connection with such sections of the Code, regulations, guidance or laws);

(vii) any tax, assessment or other governmental charge imposed by reason of Section 871(m) of the Code, and any applicable U.S. Treasury regulations promulgated thereunder or published administrative guidance implementing such section;

(viii) any tax, assessment or other governmental charge imposed by reason the holder's or beneficial owner's past or present status as the actual or constructive owner of 10 per cent. or more of the total combined voting power of all classes of stock entitled to vote of Morgan Stanley or as a direct or indirect subsidiary of Morgan Stanley;

(ix) any tax, assessment or other governmental charge imposed by reason of the holder of any Note and/or Coupon or beneficial owner not qualifying for the portfolio interest exemption or for an exemption with respect to coupon payments exempted under the “other income” provision of a Qualifying Treaty; or

(x) any combination of the items listed above.

In addition, Morgan Stanley will not be required to make any payment of Additional Amounts with respect to any Note presented for payment by or on behalf of a holder or beneficial owner who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent in a Member State of the European Union.

Nor will Additional Amounts be paid with respect to any payment on a Note to a U.S. Alien who is a fiduciary or partnership or other than the sole beneficial owner of that payment to the extent that payment would be required by the laws of the United States (or any political subdivision thereof) to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary or a member of that partnership or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member or beneficial owner been the Noteholder.

The term "**U.S. Alien**" means any person who, for U.S. federal income tax purposes, is a foreign corporation, a nonresident alien individual, a nonresident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is a foreign corporation, a nonresident alien individual or a nonresident alien fiduciary of a foreign estate or trust.

The term "**Qualifying Treaty**" means an income tax treaty between a non-U.S. jurisdiction and the United States of America that provides for a zero per cent. rate of tax on "other income" earned by a resident of the non-U.S. jurisdiction from sources within the United States of America.

Replacement of Notes

Any Notes that become mutilated, destroyed, lost or stolen or are apparently destroyed, lost or stolen will be replaced by Morgan Stanley at the expense of the holder upon delivery of those Notes or satisfactory evidence of the destruction, loss or theft thereof to Morgan Stanley, the Principal Paying Agent or any other

paying agent and the Trustee. In each case, an indemnity satisfactory to Morgan Stanley, the Principal Paying Agent or any other paying agent and the Trustee may be required at the expense of the holder of that Note before a replacement Note will be issued.

Notices

Except as provided in the next sentence, Morgan Stanley will send notices to the holders of the registered notes at each such holder's address as that address appears in the register for the notes by first class mail, postage prepaid. Morgan Stanley may give notice to the beneficial owners of registered notes held only in global form through the customary notice procedures of the Relevant Clearing System in which case Morgan Stanley will not mail the notice. Those notices will be deemed to have been given on the date of such mailing (or other transmission as applicable).

Governing Law

The New York Law Notes and the Indenture will be governed by the laws of the State of New York.

Indenture

References in parentheses below are to sections in the Indenture. Wherever particular sections or defined terms of the Indenture are referred to, those sections or defined terms of the Indenture that are incorporated herein by reference as part of the statement made, and the statement is qualified in its entirety by such reference.

Covenants Restricting Mergers and Other Significant Actions

Merger, Consolidation, Sale, Lease or Conveyance. The Indenture provides that Morgan Stanley will not merge or consolidate with any other person and will not sell, lease or convey all or substantially all of its assets to any person (other than the sale, lease or conveyance of all or substantially all of Morgan Stanley's assets to one or more of Morgan Stanley's Subsidiaries, as defined below), unless:

(i) Morgan Stanley will be the continuing corporation; or

(ii) the successor corporation or person that acquires by sale, lease or conveyance all or substantially all of its assets:

  (a) if a successor to Morgan Stanley, will be a corporation organised under the laws of the United States, a state of the United States or the District of Columbia;

  (b) will expressly assume all of the obligations of Morgan Stanley under the Indenture and the Notes issued under the Indenture; and

  (c) immediately after the merger, consolidation, sale, lease or conveyance, Morgan Stanley, that person or that successor corporation will not be in default in the performance of the covenants and conditions of the Indenture applicable to Morgan Stanley. (section 9.01)

A "Subsidiary" means any corporation, partnership or other entity of which at the time of determination Morgan Stanley owns or controls directly or indirectly more than 50% of the shares of voting stock or equivalent interest.

For the avoidance of doubt, the sale, lease or conveyance of all or substantially all of Morgan Stanley's assets to one or more of Morgan Stanley's Subsidiaries is not subject to any restrictions under the Indenture.

Absence of Protections Against All Potential Actions of Morgan Stanley. There are no covenants or other provisions in the Indenture that would afford Noteholders additional protection in the event of a recapitalisation transaction, a change of control of Morgan Stanley or a highly leveraged transaction. The merger covenant described above would only apply if the recapitalisation transaction, change of control or highly leveraged transaction were structured to include a merger or consolidation of Morgan Stanley or a sale, lease or conveyance of all or substantially all of the assets of Morgan Stanley. However, Morgan Stanley may provide specific protections, such as a put right or increased interest, for particular Notes, which Morgan Stanley would describe in the applicable Pricing Supplement.

Events of Default

The Indenture provides Noteholders with certain remedies if Morgan Stanley fails to perform specific obligations, such as making payments on the Notes or other indebtedness, or if Morgan Stanley becomes bankrupt. Holders should review these provisions and understand which of Morgan Stanley's actions trigger an Event of Default and which actions do not. The Indenture provisions permit the issuance of Notes in one or more series, and, in many cases, whether an Event of Default has occurred is determined on a series by series basis.

An Event of Default is defined under the Indenture, with respect to any series of Notes issued under the Indenture, as being:

(i) default in payment for thirty days of any principal, premium of the Notes of that series, either at maturity or upon any redemption, by declaration or otherwise;

(ii) default for thirty days in payment of any interest and/or supplemental amount payable in accordance with the terms of the Notes of that series;

(iii) any other Event of Default provided in the supplemental indenture under which that series of Notes is issued (section 5.01); and

(iv) events of bankruptcy, insolvency or reorganisation.

In the case of a default in payment of any principal or any interest with respect to the Notes issued under the Indenture, there will only be an Event of Default, and therefore a right of acceleration, if such default continues for a period of thirty days.

Acceleration of Notes upon Event of Default. The Indenture provides that:

(i) if an Event of Default due to the default in payment of principal of, or any premium or interest on or supplemental amount due with respect to, any series of Notes issued under the Indenture occurs and is continuing, then and in each and every such case, except for any series of Notes the principal of which shall have already become due and payable, either the Trustee or the holders of not less than 25 per cent. in aggregate principal amount of the outstanding Notes of each affected series issued under the Indenture (voting as a single class) by notice in writing to Morgan Stanley (and to the Trustee if given by the holders of the Notes) may declare the entire principal of all Notes of each affected series and interest accrued thereon to be due and payable immediately; and

(ii) if an Event of Default due to certain events of bankruptcy, insolvency or reorganisation of Morgan Stanley will have occurred and be continuing, then and in each and every such case, unless the principal of all the Securities shall have already become due and payable, either the Trustee or the holders of not less than 25 per cent. in aggregate principal amount of all outstanding Notes issued under the Indenture (treated as one class) by notice in writing to Morgan Stanley (and to the Trustee if given by the holders of the Notes) may declare the principal of all those Notes and interest accrued thereon to be due and payable immediately. (section 5.01)

Unless otherwise stated in the applicable pricing supplement, Notes issued under the Indenture will have the benefit of these acceleration provisions.

There will be no Event of Default, and therefore no right of acceleration, in the case of a default in the performance of any covenant or obligation with respect to the Notes issued under the Indenture (other than a covenant or warranty which is specifically dealt with above). If any such default occurs and is continuing, the Trustee may pursue legal action to enforce the performance of any provision in the Indenture to protect the rights of the Trustee and the holders of the Notes issued under the Indenture. (section 5.04)

Annulment of Acceleration and Waiver of Defaults. In some circumstances, if any and all Events of Default under the Indenture, other than the non-payment of the principal of the Notes that has become due as a result of an acceleration, have been cured, waived or otherwise remedied, then the holders of a majority in aggregate principal amount of all series of outstanding Notes affected, voting as one class, may waive past defaults and rescind and annul past declarations of acceleration of the Notes. (section 5.01)

Prior to the acceleration of any Notes, the holders of a majority in aggregate principal amount of all series of outstanding Notes with respect to which an event of default or a covenant breach has occurred and is continuing, voting as one class, may waive any past default or event of default or any past covenant breach, other than a default in respect of a covenant or provision in the Indenture that cannot be modified or amended without the consent of the holder of each Note affected. (section 5.10)

Indemnification of Trustee for Certain Actions. The Indenture contains a provision entitling the Trustee, subject to the duty of the Trustee during a default to act with the required standard of care, to be indemnified by the Noteholders issued under the Indenture before proceeding to exercise any right or power under the Indenture at the request of such holders. (section 6.02) Subject to these provisions and some other limitations, the holders of a majority in principal amount of each series of outstanding Notes of affected series, voting as one class, issued under the Indenture may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee. (section 5.09)

In connection with the exercise of its powers, trusts, authorities or discretions, the Trustee shall have regard to the interests of the holders of the relevant series of Notes affected or of all outstanding Notes affected, as the case may be, as a class. In particular, but without limitation, the Trustee shall not have regard to the consequences of such exercise for individual holders of the relevant series of Notes affected or of all outstanding Notes affected, as the case may be, resulting from such individual holders being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. The Trustee shall not be entitled to require, nor shall any holder of the relevant series of Notes affected or of all outstanding Notes affected (as the case may be) be entitled to claim, from Morgan Stanley any indemnification or payment in respect of any tax consequence of any such exercise upon individual holders of the relevant series of Notes affected or of all outstanding Notes affected, as the case may be. (sections 5.06 and 5.09)

Limitation on Actions by an Individual Holder. The Indenture provides that no individual holder of Notes issued under the Indenture may institute any action against Morgan Stanley under the Indenture, except actions for payment of overdue principal and interest, unless each of the following actions have occurred:

(i) the holder must have previously given written notice to the Trustee of the continuing default;

(ii) the holders of not less than 25 per cent. in aggregate principal amount of each affected series of the outstanding Notes treated as one class, must have (i) requested the Trustee to institute that action and (ii) offered the Trustee reasonable indemnity;

(iii) the Trustee must have failed to institute that action within 60 days of the request referred to above; and

(iv) the holders of a majority in principal amount of the outstanding Notes of each affected series, treated as one class, must not have given directions to the Trustee inconsistent with those of the holders referred to above. (sections 5.06 and 5.09)

Annual Certification. The Indenture contains a covenant that Morgan Stanley will file annually with the Trustee a certificate of no default or a certificate specifying any default that exists. (section 3.05)

Total Loss-Absorbing Capacity

Morgan Stanley intends that the Notes will, when issued, constitute "loss-absorbing capacity" within the meaning of the final rules issued by the Board of Governors of the Federal Reserve System and, accordingly, will have only those provisions described in this Offering Circular that will permit compliance thereof at such time of issuance. In this respect, Morgan Stanley is a parent holding company and has no operations and depends on dividends, distributions and other payments from its subsidiaries to fund its debt obligations (including Notes). Under a support agreement that Morgan Stanley has entered with its material subsidiaries, upon the occurrence of a resolution scenario, including a single-point-of-entry resolution strategy as contemplated in its resolution plan, Morgan Stanley would be obligated to contribute or loan on a subordinated basis all of its material assets, other than shares in its subsidiaries and certain intercompany payables, to provide capital and liquidity, as applicable, to its material subsidiaries. That obligation will be secured, in accordance with an amended and restated secured support agreement, on a senior basis by Morgan Stanley’s assets (other than shares in its subsidiaries). As a result, claims of Morgan Stanley’s

material subsidiaries against its assets (other than shares in its subsidiaries) will be effectively senior to its unsecured obligations, including Notes which would be at risk of absorbing Morgan Stanley's and its subsidiaries' losses.

Discharge, Defeasance and Covenant Defeasance

Morgan Stanley has the ability to eliminate most or all of its obligations on any series of Notes prior to maturity if it complies with the following provisions. (section 10.01)

Discharge of Indenture. Morgan Stanley may discharge all of the obligations, other than as to transfers and exchanges, in the Indenture after Morgan Stanley has:

(i) paid or caused to be paid the principal and interest on all of the outstanding Notes in accordance with their terms;

(ii) delivered to the Trustee for cancellation all of the outstanding Notes; or

(iii) irrevocably deposited with the Trustee cash or U.S. government obligations in trust for the benefit of the holders of any series of Notes issued under the Indenture that have either become due and payable, or are by their terms due and payable, or are scheduled for redemption, within one year, in an amount certified to be sufficient to pay on each date that they become due and payable, the principal of and interest on, and any mandatory sinking fund payments for, those Notes, except that the deposit of cash or U.S. government obligations for the benefit of holders of a series of Notes that are due and payable, or are scheduled for redemption, within one year will discharge obligations under the Indenture relating only to that series of Notes.

Defeasance of Notes at Any Time. Morgan Stanley may also discharge all obligations, other than as to transfers and exchanges, under any series of Notes at any time ("**defeasance**"). However, Morgan Stanley may not, by defeasance, avoid any duty to register the transfer or exchange that series of Notes, to replace any mutilated, defaced, destroyed, lost, or stolen Notes of that series or to maintain an office or agency in respect of that series of Notes.

Morgan Stanley may be released with respect to any outstanding series of Notes from the obligations imposed by sections 3.06 and 9.01, which sections contain the covenants described above limiting liens and consolidations, mergers, asset sales and leases, and elect not to comply with those sections without creating an Event of Default. Discharge under those procedures is called "**covenant defeasance**".

Defeasance or covenant defeasance may be effected only if, among other things,Morgan Stanley irrevocably deposits with the Trustee cash or, in the case of Notes payable only in U.S. Dollars, U.S. government obligations, as trust funds in an amount certified to be sufficient to pay on each date that they become due and payable, the principal of and interest on, and any mandatory sinking fund payments for, all outstanding Notes of the series being defeased.

Substitution for Morgan Stanley

Subject to such amendment of the Indenture and such other conditions as Morgan Stanley may agree with the Trustee, but without the consent of the Noteholders or any series or the holders of the coupons appertaining thereto (if any), Morgan Stanley may, subject to such Notes being unconditionally and irrevocably guaranteed by Morgan Stanley, substitute a subsidiary of Morgan Stanley in place of Morgan Stanley as principal debtor under such Notes and the Indenture. (sections 8.01 and 13.01)

Any Notes issued by a substitute issuer will be fully and unconditionally guaranteed pursuant to a guarantee of Morgan Stanley as to the payment of principal of, premium, interest and supplemental amounts, if any, and any Additional Amounts (as defined above) on those Notes when and as the same will become due and payable, whether at maturity or otherwise. See "Description of New York Law Notes—Payment of Additional Amounts". Under the terms of the guarantee, Noteholders will not be required to exercise their remedies against the substitute issuer prior to proceeding directly against Morgan Stanley. (section 13.01)

If Morgan Stanley substitues a non-U.S. entity in place of Morgan Stanley as principal debtor under the Notes the tax consequences (including the withholding tax consequences) of holding the Notes may change. Except as provided in " – *Payment of Additional Amounts*" above, if withholding is required on the Notes Morgan Stanley will not be required to pay any additional amounts.

Modification of the Indenture

Modification Without Consent of Holders. Morgan Stanley and the Trustee may enter into supplemental indentures without the consent of the Noteholders to:

(i) secure any Notes;

(ii) evidence the assumption by a successor corporation of the obligations of Morgan Stanley;

(iii) evidence the assumption of a substitute issuer, in accordance with the provision described under "*— Substitution for Morgan Stanley*" above;

(iv) add covenants for the protection of the Noteholders;

(v) cure any ambiguity or correct any inconsistency;

(vi) establish the forms or terms of Notes of any series; and

(vii) evidence the acceptance of appointment by a successor Trustee. (section 8.01)

Modification with Consent of Holders. Morgan Stanley and the Trustee may, with the consent of the holders of not less than a majority in aggregate principal amount of each affected series of outstanding Notes (voting as one class), add any provisions to, or change in any manner or eliminate any of the provisions of, the Indenture or modify in any manner the rights of the holders of those Notes. However, none of the following changes may be made to any outstanding Note without the consent of each holder that would be affected by such change:

(i) extend the final maturity of the principal;

(ii) reduce the principal amount;

(iii) reduce the rate or extend the time of payment of interest;

(iv) reduce any amount payable on redemption;

(v) change the currency in which the principal, including any amount of original issue discount, premium, or interest thereon is payable;

(vi) modify or amend the provisions for conversion of any currency into another currency;

(vii) reduce the amount of any original issue discount security payable upon acceleration or provable in bankruptcy;

(viii) alter the terms on which Noteholders may convert or exchange Notes for stock or other securities of Morgan Stanley or of other entities or for other property or the cash value of the property, other than in accordance with the antidilution provisions or other similar adjustment provisions included in the terms of the Notes;

(ix) alter the terms by which any supplemental amounts are determined, other than in accordance with the antidilution provisions or other similar adjustment provisions included in the terms of the Notes;

(x) impair the right to institute suit for the enforcement of any payment on any debt security when due; or

(xi) reduce the percentage of Notes the consent of whose owners is required for modification of the Indenture.

TERMS AND CONDITIONS OF THE ENGLISH LAW NOTES

The following is the text of the terms and conditions which, as supplemented, modified and/or replaced by the applicable Pricing Supplement, will be endorsed on each Note issued in individual registered form issued under the Program specified as being governed by English law. The terms and conditions applicable to any Note issued in the registered form will differ from those terms and conditions which would apply to the Note were it in individual registered form to the extent described under "Summary of Provisions relating to the English Law Notes while in Global Form" below.

1. Introduction

1.1 *Program*

Morgan Stanley ("**Morgan Stanley**"), Morgan Stanley & Co. International plc ("**MSI plc**"), Morgan Stanley B.V. ("**MSBV**") and Morgan Stanley Finance LLC ("**MSFL**") have established a Program (the "**Program**") for the issuance of up to U.S.$55,000,000,000 in aggregate principal amount, inter alia, of notes which are expressed to be governed by English law (the "**Notes**" or the "**English Law Notes**"). References to the "**Issuer**" in these terms and conditions shall mean (i) if the Notes to which these terms and conditions apply are issued by Morgan Stanley, Morgan Stanley, (ii) if the Notes to which these terms and conditions apply are issued by MSI plc, MSI plc, (iii) if the Notes to which these terms and conditions apply are issued by MSBV, MSBV or (iv) if the Notes to which these terms and conditions apply are issued by MSFL, MSFL. The payment obligations of MSBV and MSFL in respect of Notes issued by each of MSBV and MSFL (respectively) under the Program and which are issued under the Issue and Paying Agency Agreement (as defined below) are (unless, in respect of MSBV only, otherwise specified in the applicable Pricing Supplement) guaranteed by Morgan Stanley (in its capacity as Guarantor (the "**Guarantor**")) under the terms of a guarantee dated as of 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time the "**Guarantee**").

1.2 *Pricing Supplement*

Notes issued under the Program which are Relevant Securities are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a Pricing Supplement (each, a "**Pricing Supplement**") which supplement, modify and/or replace these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented by the applicable Pricing Supplement. In the event of any inconsistency between these Conditions and the applicable Pricing Supplement, the applicable Pricing Supplement shall prevail.

1.3 *Issue and Paying Agency Agreement*:

The Notes are the subject of an issue and paying agency agreement dated 26 June 2020 and as from time to time modified and/or restated and/or replaced, the "**Issue and Paying Agency Agreement**" between Morgan Stanley, MSI plc, MSBV, MSFL, The Bank of New York Mellon S.A./N.V., Luxembourg branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes) and The Bank of New York Mellon (as successor to JPMorgan Chase Bank, N.A., London Branch) as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes and together with any additional paying agents appointed pursuant thereto, the "**Paying Agents**", which expression includes any successor paying agents appointed from time to time in connection with the Notes. The Fiscal Agent is also appointed as initial calculation agent. In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

1.4 *SEB Issuing and Paying Agent Agreement*:

The Swedish Notes are the subject of an issuing and paying agent agreement (the "**SEB Issuing and Paying Agent Agreement**") dated 29 June 2018 between MSI plc, MSBV and Skandinaviska Enskilda Banken AB (publ) as Swedish programme agent (the "**Swedish Issuing and Paying Agent**") and Finnish programme agent ("**Finnish Issuing and Paying Agent**") as amended from time to time.

1.5 *Euroclear Agreement*

In relation to issues of Uncertificated Notes (as defined below), MSBV, MSI plc and the Guarantor have entered into an agreement dated 26 June 2020 and as from time to time amended and/or supplemented and/or restated and/or replaced, the "**Euroclear Agreement**") with Computershare Investor Services (Guernsey) Limited as registrar in respect of Uncertificated Notes (the "**Euroclear Registrar**", which expression shall include any successor or additional Euroclear registrar appointed in respect of Uncertificated Notes).

1.6 *Deeds of Covenant*

English Law Notes issued by Morgan Stanley in global form are constituted by a deed of covenant entered into by Morgan Stanley dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time the "**Morgan Stanley Deed of Covenant**"). Notes issued by MSI plc in (i) global form and (ii) dematerialised form are constituted by a deed of covenant entered into by MSI plc dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time the "**MSI plc Deed of Covenant**"). Notes issued by MSBV in (i) global form and (ii) dematerialised form are constituted by a deed of covenant entered into by MSBV dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time the "**MSBV Deed of Covenant**"). English Law Notes issued by MSFL in global form are constituted by a deed of covenant entered into by MSFL dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to them, the "**MSFL Deed of Covenant**", together with the Morgan Stanley Deed of Covenant, the MSI plc Deed of Covenant and the MSBV Deed of Covenant, the "**Deeds of Covenant**").

1.7 *The Notes*

All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the applicable Pricing Supplement. Copies of the applicable Pricing Supplement are available for inspection by Noteholders during normal business hours at the Specified Office of the Fiscal Agent, the initial Specified Office of which is set out below.

1.8 *Summaries*

Certain provisions of these Conditions are summaries of the Issue and Paying Agency Agreement, the Euroclear Agreement and the Guarantee and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") are bound by, and are deemed to have notice of, all the provisions of each of the Issue and Paying Agency Agreement, the Euroclear Agreement and the Guarantee as are applicable to them. Copies of the Issue and Paying Agency Agreement, the Euroclear Agreement and the Guarantee are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. **Interpretation**

2.1 *Definitions*:

"**Accrual Yield**" has the meaning given in the applicable Pricing Supplement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the applicable Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the applicable Pricing Supplement;

"**Administrator/Benchmark Event**" means, in respect of any Notes, a determination made by the Determination Agent that any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that any of the Issuer, the Determination Agent or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use the Relevant Benchmark to perform its or their respective obligations in respect of the Notes; For the

avoidance of doubt, Administrator/Benchmark Events shall not apply where the Notes are denominated in U.S. Dollars and the Relevant Rates Benchmark is U.S. dollar LIBOR (see Condition 6.15 (*Effect of Benchmark Transition Event*) below) or SOFR (see Condition 6.5 (*Provisions specific to SOFR as Reference Rate*) below);

"**Administrator/Benchmark Event Date**" means, in respect of any Notes and an Administrator/Benchmark Event, the date on which the authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is:

(a) required under any applicable law or regulation; or

(b) rejected, refused, suspended or withdrawn, if the applicable law or regulation provides that the Relevant Benchmark is not permitted to be used under the Notes following rejection, refusal, suspension or withdrawal, or, in each case, if such date occurs before the Issue Date, the Issue Date;

"**Affiliate**" means any entity which is (a) an entity controlled, directly or indirectly, by the Issuer, (b) an entity that controls, directly or indirectly, the Issuer or (c) an entity directly or indirectly under common control with the Issuer;

"**Alternative Pre-nominated Index**" means, in respect of a Relevant Benchmark, the first of the indices, benchmarks or other price sources specified in the applicable Pricing Supplement as an "Alternative Pre-nominated Index" that is not subject to an Administrator/Benchmark Event or (in the case of Equity and Proprietary Index-Linked Notes) an Index Cancellation or an Index Modification or (in the case of Commodity-Linked Notes which reference a Commodity Index) a Commodity Index Cancellation or a Commodity Index Modification or (in the case of Property-Linked Notes) a Property Index Adjustment Event;

"**Autocallable Early Redemption Event**" has the meaning given in the applicable Pricing Supplement;

"**Benchmark**" means:

(i) if SOFR is not specified in the relevant Pricing Supplement as the Reference Rate, initially LIBOR (with the applicable period of maturity in the case of Screen Rate Determination or the applicable Designated Maturity in the case of ISDA Determination); provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR (with the applicable period of maturity in the case of Screen Rate Determination or the applicable Designated Maturity in the case of ISDA Determination) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement; or

(ii) if SOFR is specified in the relevant Pricing Supplement as the Reference Rate, the Secured Overnight Financing Rate with the applicable period of maturity (which shall be daily); provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Secured Overnight Financing Rate with the applicable period of maturity (which shall be daily), or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

"**Benchmark Replacement**" means:

(i) if SOFR is not specified in the relevant Pricing Supplement as the Reference Rate, the Interpolated Benchmark with respect to the then current Benchmark, plus the Benchmark Replacement Adjustment for such Benchmark; provided that if the Issuer or its designee cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(a) the sum of: (i) Fallback Term SOFR and (ii) the Benchmark Replacement Adjustment;

(b) the sum of: (i) Fallback Compounded SOFR and (ii) the Benchmark Replacement Adjustment;

(c) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (ii) the Benchmark Replacement Adjustment;

(d) the sum of: (i) the ISDA Fallback Rate and (ii) the Benchmark Replacement Adjustment;

(e) the sum of: (i) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. Dollar-denominated floating rate notes at such time and (ii) the Benchmark Replacement Adjustment; or

(ii) if SOFR is specified in the relevant Pricing Supplement as the Reference Rate, the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(a) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (ii) the Benchmark Replacement Adjustment;

(b) the sum of: (i) the ISDA Fallback Rate and (ii) the Benchmark Replacement Adjustment;

(c) the sum of: (i) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (ii) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(b) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;

(c) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. Dollar-denominated floating rate notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period", timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Interest Period, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of limb (a) or (b) of the definition of "Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or

(b) in the case of limb (c) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

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

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Broken Amount**" means each amount specified as such in the applicable Pricing Supplement;

"**Business Day**" means any day, other than a Saturday or Sunday that, for Notes denominated in:

(a) a Specified Currency other than euro, is neither a legal holiday nor a day on which banking institutions are authorised or required by law or regulation to close in the principal financial centre of the country of the Specified Currency and in each (if any) Additional Business Centre (and if the Additional Business Centre is specified in the applicable Pricing Supplement to be or to include TARGET, then a Business Day shall also be a TARGET Settlement Day); and

(b) euro, is also a TARGET Settlement Day and a day that is neither a legal holiday nor a day on which banking institutions are authorised or required by law or regulation to close in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the applicable Pricing Supplement and, if so specified in the applicable Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified 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;

(c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the applicable Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that**:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means, in respect of any Notes, the Fiscal Agent or such other Person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or, such other amount(s) as may be specified as being calculated by the Calculation Agent in the Conditions or the applicable Pricing Supplement;

"**Calculation Amount**" means the Specified Denomination unless otherwise specified in the applicable Pricing Supplement;

"**Cash Settlement Notes**" means Notes specified as being Notes to which Cash Settlement applies in the applicable Pricing Supplement or Notes specified as being Notes to which either Physical Settlement or Cash Settlement applies in the applicable Pricing Supplement and in respect of which the Noteholder or the Issuer, as the case may be, has not elected for Physical Settlement to apply;

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme, Luxembourg;

"**CNY Notes**" means Notes denominated in CNY or Renminbi deliverable in Hong Kong, or such other CNY Center as specified in the applicable Pricing Supplement;

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the applicable Pricing Supplement and:

(a) if "**1/1**" is so specified, means 1;

(b) if "**30/360**" or "**30/360 (ICMA)**", is so specified, means the number of days in the relevant period (calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed) divided by 360;

(c) if "**30/360 (ISDA)**", "**360/360**" or "**Bond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D_2 will be 30;

(d) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(e) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

(f) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(g) if "**Actual/365L**" is so specified, the actual number of days in the Calculation Period divided by 365 (or, if the last day of the Calculation Period falls in a leap year, 366);

(h) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(i) if "**Actual/Actual**", "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(j) if "**Actual/Actual (Bond)**" is so specified, the actual number of days in the relevant period divided by the product of (i) the number of days in the Regular Period in which the relevant period falls and (ii) the number of Regular Periods in any period of one year; and

(k) if "**Actual/Actual (ICMA)**" is so specified, a fraction equal to "number of days accrued/number of days in year", as such terms are used in Rule 251 of the statutes, by-laws and recommendations of the International Capital Markets Association (the "**ICMA Rule Book**"), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non-U.S. Dollar denominated straight and convertible bonds issued after 31 December 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Calculation Period in respect of which payment is being made;

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Determination Agent**" means MSI plc or, if different in relation to any series of Notes, the Person or the entity specified as such in the applicable Pricing Supplement;

"**Determination Date**" has the meaning given in the applicable Pricing Supplement;

"**Early Redemption Amount**" means, in respect of any Note:

(a) in the case of Zero Coupon Notes, such amount as may be specified in the applicable Pricing Supplement or, if applicable, determined in accordance with Condition 23.9 (*Early Redemption of Zero Coupon Notes*); and

(b) in the case of any other Notes, such amount as may be specified in the applicable Pricing Supplement or, if no other amount is specified,

(i) if "**Accrued Value**" is specified as being applicable in respect of such Note in the applicable Pricing Supplement, an amount equal to the sum of:

(A) the product of (a) the Calculation Amount of such Note and (b) the percentage produced by the following formula:

$$\text{Reference Price} \times (1+\text{Accrual Yield})^{n}$$

where "n" means the number of years from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable and the calculation shall be made on the basis of such Day Count Fraction as may be specified in the applicable Pricing Supplement or, if none is so specified, a Day Count Fraction of 30/360; and

(B) accrued interest (if any).

(ii) if "**Par Redemption**" is specified as being applicable in respect of such Note in the applicable Pricing Supplement, the principal amount of such Note, together with accrued interest (if any); or

(iii) if "**Qualified Financial Institution Determination**" is specified as being applicable in respect of such Note in the applicable Pricing Supplement, 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 Note) 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 Note 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 Note; or

(iv) if "**Theoretical Value**" is specified as being applicable in respect of such Note in the applicable Pricing Supplement, an amount equal to the fair market value of such Note on the day that is two Business Days prior to the date of redemption of the Note, as determined by the Determination Agent, acting in good faith and in a commercially reasonable manner, by reference to factors that the Determination Agent considers relevant, including without limitation, the then (a) interest rates and, (b) the value of each embedded derivative but (c) if the relevant Early Redemption Event is an Event of Default, disregarding any change in the creditworthiness of the Issuer and/or the Guarantor since the initial Trade Date; or

(v) if "**Fair Market Value Less Costs**" is specified as being applicable in respect of such Note in the applicable Pricing Supplement, an amount equal to the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion; or

(vi) if "**Fair Market Value**" is specified as being applicable in respect of such Note in the applicable Pricing Supplement, an amount equal to the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), as calculated by the Determination Agent in its reasonable discretion.

"**Equity-Linked Notes**" has the meaning given to it in Condition 10 (*Provisions relating to Equity and Proprietary Index-Linked Notes*);

"**ETN**" means an exchange-traded note;

"**Euroclear**" means Euroclear Bank S.A./N.V.;

"**Euroclear Registrar**" has the meaning given to it in Condition 1.5 (*Euroclear Agreement*);

"**Euro**", "**euro**", "**€**" and "**EUR**" each means the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time);

"**Extraordinary Resolution**" has the meaning given in the Issue and Paying Agency Agreement;

"**Fallback Compounded SOFR**" means the compounded average of Fallback SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate being established by the Issuer or its designee in accordance with:

(a) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded Fallback SOFR; provided that:

(b) if, and to the extent that, the Issuer or its designee determines that Fallback Compounded SOFR cannot be determined in accordance with clause (a) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer or its designee giving due consideration to any industry-accepted market practice for U.S. dollar-denominated floating rate notes at such time;

"**Fallback FX Spot Rate**" has the meaning given in the applicable Pricing Supplement;

"**Fallback SOFR**" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website;

"**Fallback Term SOFR**" means the forward-looking term rate for the applicable Corresponding Tenor based on Fallback SOFR that has been selected or recommended by the Relevant Governmental Body;

"**Federal Reserve Bank of New York's Website**" means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the applicable Pricing Supplement;

"**Finnish CSD**" means a duly authorised Finnish central securities depository (Fi.: *Arvopaperikeskus*) under Act on the Book-Entry System and Clearing Operations (Fi.: Arvo-osuusjärjestelmästä ja selvitystoiminnasta annettu laki) and The Finnish legislation governing book-entry accounts as well as the regulations and decisions of Euroclear Finland (Fi.: Laki arvo-osuustileistä sekä Euroclear Finlandin säännöt ja toimitusjohtajan päätökset), which is expected to be Euroclear Finland Oy, Urho Kekkosen katu 5 C Box 1110, FI-00101 Helsinki, Finland;

"**Finnish Issuing and Paying Agent**" means Skandinaviska Enskilda Banken AB (publ) or a duly authorised issuing agent under the relevant NCSD Rules and designated as such by the Issuer in the applicable Pricing Supplement;

"**Finnish Notes**" means any Tranche of Notes issued by MSBV or, as applicable, MSI plc, and designated by the Issuer as "Finnish Notes" in the applicable Pricing Supplement;

"**Fitch**" means Fitch Ratings, Inc.;

"**Fixed Coupon Amount**" has the meaning given in the applicable Pricing Supplement;

"**Implementation of Financial Transaction Tax**" means that, on or after the Trade Date of any Notes, due to the adoption of or any change in any applicable law or regulation (including without limitation any law or regulation implementing a system of financial transaction taxes in any jurisdiction, including the European Union relating to any tax, payable in respect of the transfer of, or issue or modification or redemption of, any financial instruments), the Issuer determines (acting in good faith and in a commercially reasonable manner) that either it or any of its Affiliates would incur or has incurred a materially increased amount of tax, transfer tax, duty, stamp duty, stamp duty reserve tax, expense or fee (other than brokerage commissions) to (A) enter into, modify or unwind the Notes or any part thereof, or perform its obligations under such Notes, including for the avoidance of doubt any obligation or exercise of any right to deliver Shares or any other asset or (B) acquire, establish, re-establish, substitute, maintain, unwind or dispose of

any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the relevant Notes or (C) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that the Issuer has determined that the nature of the adoption of or any change in law or regulation is such that it is applicable to investors generally when carrying out similar trading or hedging activities in the relevant jurisdiction;

"**Individual Note Certificate**" means an individual Registered Note certificate representing a Noteholder's holding of a Registered Note;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of each Calculation Amount of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the applicable Pricing Supplement;

"**Interest Determination Date**" has the meaning given in the applicable Pricing Supplement, provided that, if the applicable Pricing Supplement specifies SOFR or SONIA as the applicable Reference Rate, the Interest Determination Date(s) shall be the Interest Period End Date at the end of each Interest Period, unless otherwise provided in the applicable Pricing Supplement, provided further that the Interest Determination Date with respect to the final Interest Period for SOFR will be the SOFR Rate Cut-Off Date, and provided further that in the case of Equity and Proprietary Index-Linked Notes, Fund-Linked Notes and Futures Contract-Linked Notes where the interest basis is Equity and Proprietary Index-Linked Interest, Fund-Linked Interest or Futures Contract-Linked Interest (as applicable) as specified in the applicable Pricing Supplement, (i) if any such date is not a Scheduled Trading Day or a Fund Business Day (as applicable), the relevant Interest Determination Date shall (A) in the case of Equity and Proprietary Index-Linked Notes, be the next succeeding Scheduled Trading Day or, if either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, the next succeeding Common Scheduled Trading Day; or (B) in the case of Fund-Linked Notes, be the next succeeding Fund Business Day or, if either "Common Fund Business Days and Common Disrupted Days" or "Common Fund Business Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, the next succeeding Common Fund Business Day, and (ii) if any Interest Determination Date is a Disrupted Day, the provisions of, as applicable, Condition 10.1 (*Reference Dates, Averaging Dates and Market Disruption*), Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*) or Condition 16.1 (*Reference Dates, Averaging Dates and Market Disruption*) shall apply, and otherwise subject to adjustment in accordance with the Conditions;

"**Interest Payment Date**" means:

(i) if SOFR is not specified in the relevant Pricing Supplement as the Reference Rate, the date or dates specified as such in, or determined in accordance with the provisions of, the applicable Pricing Supplement and, if a Business Day Convention is specified in the applicable Pricing Supplement:

  (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

  (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the applicable Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case); or

(ii) if SOFR is specified in the relevant Pricing Supplement as the Reference Rate, the number of Business Days equal to the Interest Payment Delay following each Interest Period End Date; provided that the Interest Payment Date with respect to the final Interest Period will be the Maturity Date or other date for redemption of the relevant Notes;

"**Interest Payment Delay**" means two U.S. Government Securities Business Days;

"**Interest Period**" means, subject as otherwise provided in these Conditions or the applicable Pricing Supplement, each period beginning on (and including) the Interest Commencement Date or any Interest Period End Date and ending on (but excluding) the next Interest Period End Date, provided that if (a) "Unadjusted" is specified in the applicable Pricing Supplement and/or (b) the Specified Currency of the Notes is Japanese Yen and the Notes are Fixed Rate Notes, no adjustment will be made to the Interest Period, notwithstanding the adjustment to the relevant Interest Period End Date following the application of the relevant Business Day Convention and any other adjustment under the terms of the Notes;

"**Interest Period End Date**" means each Interest Payment Date unless specified otherwise in the applicable Pricing Supplement;

"**Interpolated Benchmark**" with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (a) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (b) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor;

"**ISDA Definitions**" means:

(a) for the purposes of Condition 6.15 (*Effect of Benchmark Transition Event*) or Condition 6.5 (*Provisions specific to SOFR as Reference Rate*), , the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time; or

(b) for all other purposes, the 2006 ISDA Definitions, as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the applicable Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.;

"**ISDA Fallback Adjustment**" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Issue Date**" has the meaning given in the applicable Pricing Supplement;

"**Japanese Yen**" and "**¥**" are to the lawful currency of Japan;

"**Margin**" has the meaning given in the applicable Pricing Supplement;

"**Market Exchange Rate**" means the noon U.S. Dollar buying rate in The City of New York for cable transfers of a Specified Currency published by the Federal Reserve Bank of New York;

"**Maturity Date**" has the meaning given in the applicable Pricing Supplement;

"**Maximum Call Notice Number of Day(s)**" means the number of calendar days or Business Days specified as such in the applicable Pricing Supplement;

"**Maximum Put Notice Number of Day(s)**" means the number of calendar days or Business Days specified as such in the applicable Pricing Supplement;

"**Minimum Call Notice Number of Day(s)**" means the number of calendar days or Business Days specified as such in the applicable Pricing Supplement;

"**Minimum Put Notice Number of Day(s)**" means the number of calendar days or Business Days specified as such in the applicable Pricing Supplement;

"**Moody's**" means Moody's Investors Service, Inc.;

"**Morgan Stanley Notes**" means Notes issued by Morgan Stanley;

"**MSBV Notes**" means Notes issued by MSBV;

"**MSFL Notes**" means Notes issued by MSFL;

"**MSI plc Notes**" means Notes issued by MSI plc;

"**NCSD**" means the Finnish CSD or the Swedish CSD, as applicable;

"**NCSD Register**" means the book entry register maintained by the relevant NCSD on behalf of the Issuer in respect of the relevant Tranche of Nordic Notes;

"**NCSD Rules**" means any Finnish or, as applicable, Swedish legislation, regulations, rules and operating procedures applicable to and/or issued by the relevant NCSD (including but not limited to, Act on the Book-Entry System and Clearing Operations (Fi.: Arvo-osuusjärjestelmästä ja selvitystoiminnasta annettu laki)) and The Finnish legislation governing book-entry accounts as well as the regulations and decisions of Euroclear Finland (Fi.: Laki arvo-osuustileistä sekä Euroclear Finlandin säännöt ja toimitusjohtajan päätökset) and the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw.: *lag (1998:1479) lagen om värdepapperscentraler och kontoföring av finansiella instrument*));

"**Nordic Issuing and Paying Agent**" means the Finnish Issuing and Paying Agent or the Swedish Issuing and Paying Agent, as applicable;

"**Nordic Notes**" means Finnish Notes or Swedish Notes, as applicable;

"**Operator**" has the meaning given to it in Condition 3.4 (*Uncertificated Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Cash Settlement Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the applicable Pricing Supplement and, in respect of any Physical Settlement Note, the Physical Delivery Amount as may be specified in, or determined in accordance with, the applicable Pricing Supplement;

"**Optional Redemption Amount (Put)**" means, in respect of any Cash Settlement Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the applicable Pricing Supplement and, in respect of any Physical Settlement Note, the Physical Delivery Amount as may be specified in, or determined in accordance with, the applicable Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given in the applicable Pricing Supplement;

"**Optional Redemption Date (Put)**" has the meaning given in the applicable Pricing Supplement;

"**Participating Member State**" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

"**Payment Business Day**" means;

(a) if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is CNY, any day on which banks and foreign exchange markets are open for business and settlement of CNY payments in the Relevant Financial Centre, the place of payment and each (if any) Additional Financial Centre (and if the Additional Financial Centre is specified in the applicable Pricing Supplement to be or to include TARGET, then a Payment Business Day shall also be a TARGET Settlement Day);

(c) in any other case, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre (and if the Additional Financial Centre is specified in the applicable Pricing Supplement to be or to include TARGET, then a Payment Business Day shall also be a TARGET Settlement Day);

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Physical Settlement Notes**" means Notes specified as being Notes to which Physical Settlement applies, or Notes specified as being Notes to which either Physical Settlement or Cash Settlement applies in the applicable Pricing Supplement and in respect of which the Noteholder or the Issuer, as the case may be, has not elected for Cash Settlement to apply;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency provided, however, that in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Qualified Financial Institution**" means a financial institution organised 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:

(a) A2 or higher by S&P Global Ratings or any successor, or any other comparable rating then used by that rating agency; or

(b) 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 Institutional 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;

"**Qualifying Treaty**" means an income tax treaty between a non-U.S. jurisdiction and the United States of America that provides for a zero per cent. rate of tax on "other income" earned by a resident of the non-U.S. jurisdiction from sources within the United States of America;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in applicable Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the applicable Pricing Supplement;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Redemption Amount, Physical Delivery Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Pricing Supplement;

"**Redemption Expenses**" means, in respect of any Note or Notes, any expenses (other than in relation to Taxes) payable on or in respect of or in connection with the redemption of such Note or Notes;

"**Reference Banks**" has the meaning given in the applicable Pricing Supplement or, if none are specified, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"**Reference Price**" has the meaning given in the applicable Pricing Supplement;

"**Reference Rate**" has the meaning given in the applicable Pricing Supplement;

"**Reference Time**" with respect to any determination of the Benchmark means (a) if the Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such determination, and (b) if the Benchmark is not LIBOR, the time determined by the Issuer or its designee in accordance with the Benchmark Replacement Conforming Changes;

"**Register**" has the meaning given to it in the Issue and Paying Agency Agreement;

"**Registered Note**" means a Note issued in registered form, as described in Condition 3 (*Form, Denomination and Title*);

"**Regulation S**" means Regulation S under the Securities Act;

"**Regulatory Event**" means that, at any time on or after the Trade Date, as a result of:

(i) an implementation or adoption of, or change in, any applicable law, regulation, interpretation, action or response of a regulatory authority;

(ii) the promulgation of, or any interpretation by any court, tribunal, government or regulatory authority with competent jurisdiction (a "**Relevant Authority**") of, any relevant law or regulation (including any action taken by a taxing authority); or

(iii) the public or private statement or action by, or response of, any Relevant Authority or any official or representative of any Relevant Authority acting in an official capacity,

there is a reasonable likelihood of it becoming:

(A) unlawful, impossible or impracticable, for the Issuer and/or the Guarantor to maintain the Notes and/or to maintain other instruments issued under the Program and/or to perform its obligations under the Notes; and/or

(B) necessary for the Issuer and/or the Guarantor to obtain a licence, authorisation or other approval for the continuation or maintenance of the business relating to or supporting the Notes or their hedging activities in relation to such Notes.

"**Relevant Benchmark**" means a Relevant Commodity Benchmark, a Relevant Equity Index Benchmark, a Relevant FX Benchmark, a Relevant Property Index Benchmark, a Relevant Rates Benchmark or a Relevant Futures Contract Benchmark;

"**Relevant Clearing System**" means, as appropriate, Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system, as the case may be, through which interests in Notes are to be held and through an account at which the Notes are to be cleared, as specified in the applicable Pricing Supplement;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the applicable Pricing Supplement;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

"**Relevant Jurisdiction**" has the meaning given in the applicable Pricing Supplement;

"**Relevant Rates Benchmark**" means, in respect of any Notes:

(a) each Reference Rate (or, if applicable, the index, benchmark or other price source that is referred to in the Reference Rate);

(b) each Floating Rate Option (or, if applicable, the index, benchmark or other price source that is referred to in the Floating Rate Option); or

(c) any other index, benchmark or other price source specified as a "Relevant Rates Benchmark" in the applicable Pricing Supplement;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the applicable Pricing Supplement, or

such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Securities**" means, in relation to Notes, Notes (other than Uncertificated Notes) issued (or to be issued) under the Issue and Paying Agency Agreement and Uncertificated Notes issued (or to be issued) under the Euroclear Agreement;

"**Relevant Time**" has the meaning given in the applicable Pricing Supplement;

"**Renminbi**", "**RMB**" and "**CNY**" are to the lawful currency of the People's Republic of China ("**PRC**") which, for the purpose of these Conditions, shall exclude the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Right to Redemption**" has the meaning given to it in Condition 40.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*);

"**Right to Redemption Notice**" means a notice which must be delivered to a Paying Agent or the Euroclear Registrar, as applicable, by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder under Condition 40.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*);

"**Right to Redemption Receipt**" means a receipt issued by a Paying Agent or the Euroclear Registrar to a depositing Noteholder upon deposit of a Note and a Right to Redemption Notice with such Paying Agent, or deposit of a Right to Redemption Notice with such Euroclear Registrar, as applicable, by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**S&P**" means Standard & Poor's Financial Services LLC through its business unit S&P Global Ratings;

"**Securities Act**" means the United States Securities Act of 1933, as amended;

"**SOFR Rate Cut-Off Date**" means the date that the second U.S. Government Securities Business Day prior to the Maturity Date or the redemption date, as applicable;

"**Specified Currency**" has the meaning given in the applicable Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the applicable Pricing Supplement;

"**Specified Office**" has the meaning given in the Issue and Paying Agency Agreement;

"**Specified Period**" has the meaning given in the applicable Pricing Supplement;

"**Sterling**", "**GBP**" and "**£**" are to the lawful currency of the United Kingdom;

"**Strike Date**" means the date as specified in the applicable Pricing Supplement;

"**subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

(a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"**Substitution Date**" has the meaning given to it in Condition 40.6(c) (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*);

"**Substitution Redemption Date**" has the meaning given to it in Condition 40.6(b) (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*);

"**Swedish CSD**" means a duly authorised Swedish central securities depository (*Sw.: central värdepappersförvarare*) under the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*Sw.: lag (1998:1479) lagen om värdepapperscentraler och kontoföring av finansiella instrument*), which is expected to be Euroclear Sweden AB, Klarabergsviadukten 63, Box 191, SE 101 23, Stockholm, Sweden;

"**Swedish Issuing and Paying Agent**" means Skandinaviska Enskilda Banken AB (publ) or a duly authorised issuing agent under the relevant NCSD Rules and designated as such by the Issuer, as specified in the applicable Pricing Supplement;

"**Swedish Notes**" means any Tranche of Notes issued by MSBV or, as applicable, MSI plc and designated by the Issuer as "Swedish Notes" in the applicable Pricing Supplement;

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

"**Taxes**" means any tax, duty, impost, levy, charge or contribution in the nature of taxation or any withholding or deduction for or on account thereof, including (but not limited to) any applicable stock exchange tax, turnover tax, stamp duty, stamp duty reserve tax and/or other taxes chargeable or payable in connection with any redemption of a Note and/or payment of the Redemption Amount and/or delivery of the Physical Delivery Amount and/or the transfer or delivery of securities and/or the relevant Transfer Documentation;

"**Trade Date**" means in relation to any series of Notes, the date specified as such in the applicable Pricing Supplement;

"**Transfer Documentation**" means, for each Series of Notes, such documentation as is generally acceptable for settlement of transfer of Shares on the relevant Exchange or through the Relevant Clearing System;

"**Treaty**" means the Treaty establishing the European Community, as amended;

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment;

"**Underlying Securities**" means shares, bonds, other debt securities, other securities or other property specified as such in the applicable Pricing Supplement, and "**Underlying Security**" shall be construed accordingly;

"**U.S. Dollars**", "**U.S.$**" and "**$**" are to the lawful currency of the United States of America;

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for the purposes of trading in U.S. government securities; and

"**Zero Coupon Note**" means a Note specified as such in the applicable Pricing Supplement.

2.2 *Interpretation*:

In these Conditions:

(a) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 27 (*Taxation*), any premium

payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(b) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 27 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(c) references to Notes being "outstanding" shall be construed in accordance with the Issue and Paying Agency Agreement; and

(d) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the applicable Pricing Supplement, but the applicable Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes.

3. Form, Denomination and Title

3.1 *Form*

Morgan Stanley, MSI plc, MSBV and MSFL may issue Notes in registered form only ("**Registered Notes**"). In addition MSBV and MSI plc may also issue (i) Notes in dematerialised and uncertificated book-entry form with a Nordic central securities depositary ("**Nordic Notes**"), and (ii) Notes in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001 (as amended, modified or re-enacted) and such other regulations made under sections 783, 784(3), 785 and 788 of the UK Companies Act 2006 as are applicable to the Euroclear Registrar ("**Uncertificated Notes**").

3.2 *Registered Notes*

(a) *Form*: Registered Notes may be in either global registered form or in individual registered form. Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the applicable Pricing Supplement and higher integral multiples of a smaller amount specified in the applicable Pricing Supplement.

(b) *Title*: Title to the Registered Notes passes by registration in the Register which is kept by the Registrar in accordance with the provisions of the Issue and Paying Agency Agreement. A certificate (each, an "**Individual Note Certificate**") will be issued to each holder of Registered Notes in respect of its registered holding. Each Individual Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. A "**holder**" means, in the case of Registered Notes, the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(c) *Ownership*: The holder of any Registered Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or on the Individual Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder.

(d) *Transfers*: Subject to Conditions 3.2(g) (*Closed Periods*) and 3.2(h) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Individual Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Note transferred and (where not all of the Registered Notes held by a holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Individual Note Certificate are the subject of the transfer, a new Individual Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor. In respect of Notes for which "(China Connect – ChiNext Shares)" is specified next to the name of the Exchange in the applicable

Pricing Supplement, any transfer of such Notes shall only be to owners and beneficial owners who each are an Eligible Investor.

(e) *Registration and Delivery*: Within five business days of the surrender of an Individual Note Certificate in accordance with Condition 3.2(d) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Individual Note Certificate of a like principal amount to the Registered Notes transferred to each relevant holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant holder. In this Condition 3.2(e) (*Registration and Delivery*), "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(f) *No charge*: The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(g) *Closed Periods*: Holders of Registered Notes may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(h) *Regulations concerning transfers and registration*: All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Issue and Paying Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any holder of Registered Notes who requests in writing a copy of such regulations. The relevant Issuer shall have the right to refuse to honor the transfer of any Notes to a person who is a U.S. Person (as defined in Regulation S) or is in the United States.

3.3 *Nordic Notes*

Notes designated as "**Finnish Notes**" or "**Swedish Notes**" or "**Nordic Notes**" in the applicable Pricing Supplement will be issued in uncertificated and dematerialised book entry form in accordance with the NCSD Rules. In respect of Nordic Notes, "**Noteholder**" and "**holder**" means the person in whose name a Nordic Note is registered in the NCSD Register and the reference to a person in whose name a Nordic Note is registered shall include also any person duly authorised to act as a nominee and so registered for the Nordic Note. Title to Nordic Notes shall pass by registration in the NCSD Register. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined above) of any Nordic Note shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the holder. The Issuer shall be entitled to obtain information from the NCSD Register in accordance with the NCSD Rules. As the Nordic Notes will be in uncertificated and dematerialised book-entry form, the Conditions as so amended shall be deemed to be incorporated by reference in, and to form part of, the MSBV Deed of Covenant or the MSI plc Deed of Covenant (as the case may be) by which the Nordic Notes are constituted. No physical global or definitive notes or certificates will be issued in respect of Nordic Notes.

3.4 *Uncertificated Notes*

(a) *Form and Title*: Uncertificated Notes shall be issued in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "**Regulations**") and such other regulations made under sections 783, 784(3), 785 and 788 of the UK Companies Act 2006 as are applicable to the Euroclear Registrar. Uncertificated Notes are participating securities for the purposes of the Regulations. Title to the Uncertificated Notes is recorded on the relevant Operator register of eligible debt securities. The Euroclear Registrar on behalf of the Issuer shall maintain a record of uncertificated eligible debt securities (the "**Record**") in relation to the Uncertificated Notes and shall procure that

the Record is regularly updated to reflect the Operator register of eligible debt securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of Uncertificated Notes shall be treated by the Issuer, the Guarantor, the Euroclear Registrar and any other Person as the holder of such number of Uncertificated Notes for all purposes (and the expressions "**Noteholder**" and "**holder of Notes**" and "**holder**" and related expressions in the context of Uncertificated Notes shall be construed accordingly), and (ii) none of the Issuer, the Guarantor, the Euroclear Registrar and any other Person shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the Euroclear Registrar maintains are in accordance with particulars entered in the Operator register of eligible debt securities relating to the Uncertificated Notes.

No provisions of these Conditions as completed by the applicable Pricing Supplement shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to Uncertificated Notes in uncertificated form, (II) the transfer of title to Uncertificated Notes by means of a relevant system or (III) the Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the applicable Pricing Supplement, so long as the Uncertificated Notes are participating securities, (A) the "Operator" register of eligible debt securities relating to the Uncertificated Notes shall be maintained at all times outside the United Kingdom, (B) the Uncertificated Notes may be issued in uncertificated form in accordance with and subject as provided in the Regulations, and (C) for the avoidance of doubt, the Conditions and the applicable Pricing Supplement in relation to any Uncertificated Note shall remain applicable notwithstanding that they are not endorsed on any certificate for such Uncertificated Note.

As used herein each of "**Operator register of eligible debt securities**", "**participating securities**" and "**relevant system**" is as defined in the Regulations and the relevant "**Operator**" (as such term is used in the Regulations) is Euroclear UK & Ireland Limited or any additional or alternative operator from time to time approved by the Issuer and the Euroclear Registrar in relation to the Uncertificated Notes and in accordance with the Regulations. Any reference herein to the "**Operator**" shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the Uncertificated Noteholders in accordance with Condition 35 (*Notices*).

Notes in definitive registered form will not be issued, either initially or in exchange for an Uncertificated Note.

(b) *Title Transfer*: Title to Uncertificated Notes will pass upon registration of the transfer in the Operator register. All transactions in relation to Uncertificated Notes (including transfers of Uncertificated Notes) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator.

4. Status

4.1 *Status of the Notes*

The Notes constitute direct and general obligations of the Issuer which rank *pari passu* among themselves.

4.2 *Status of Guarantee*

The Guarantor's obligations in respect of the Notes issued by MSBV (other than Notes the Pricing Supplement relating to which specifies that such Notes are not guaranteed by Morgan Stanley) and MSFL constitute direct, unconditional and unsecured obligations of the Guarantor which rank without preference among themselves and *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by laws affecting creditors' rights.

5. Fixed Rate Note Provisions

5.1 *Application*

This Condition 5 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the applicable Pricing Supplement as being applicable.

5.2 *Accrual of interest*

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 24 (*Payments – Registered Notes*) and Condition 25 (*Payments – Uncertificated Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon such due date, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (*Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is 7 Business Days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh Business Day (except to the extent that there is any subsequent default in payment).

5.3 *Fixed Coupon Amount*

The amount of interest payable in respect of each Note for any Interest Period which is a Regular Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination, provided that if a Broken Amount is specified in the applicable Pricing Supplement in respect of an Interest Payment Date in respect of each Calculation Amount, the Interest Amount payable on such Interest Payment Date in respect of such Note per Calculation Amount shall be the Broken Amount.

5.4 *Regular Interest Periods*

If all of the Interest Payment Dates fall at regular intervals between the Issue Date and the Maturity Date, then:

(a) the Notes shall for the purposes of this Condition 5 (*Fixed Rate Note Provisions*) be "**Regular Interest Period Notes**";

(b) the day and month (but not the year) on which any Interest Payment Date falls shall, for the purposes of this Condition 5 (*Fixed Rate Note Provisions*), be a "**Regular Date**"; and

(c) each period from and including a Regular Date falling in any year to but excluding the next succeeding Regular Date shall, for the purposes of this Condition 5 (*Fixed Rate Note Provisions*), be a "**Regular Period**".

5.5 *Irregular first or last Interest Periods*

If the Notes would be Regular Interest Period Notes but for the fact that either or both of:

(a) the interval between the Issue Date and the first Interest Payment Date; and

(b) the interval between the Maturity Date and the immediately preceding Interest Payment Date

is longer or shorter than a Regular Period, then the Notes shall nevertheless be deemed to be Regular Interest Period Notes, provided, however, that if the interval between the Maturity Date and the immediately preceding Interest Payment Date is longer or shorter than a Regular Period, the day and month on which the Maturity Date falls shall not be a "**Regular Date**".

5.6 *Irregular Interest Amount*

If the Notes are Regular Interest Period Notes, the amount of interest payable in respect of each Note for any period which is not a Regular Period shall be an amount per Calculation Amount calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub unit of the Specified Currency (half a sub unit being rounded upwards). For this purpose a "**sub unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

5.7 *Irregular Interest Periods*

If the Notes are not Regular Interest Period Notes and interest is required to be calculated for any period other than an Interest Period, interest shall be calculated on such basis as is described in the applicable Pricing Supplement.

5.8 *Interest on Swedish Notes*

For the purposes of calculation of any amount of interest on Swedish Notes, the provisions of this Condition 5 (*Fixed Rate Note Provisions*) shall be amended so that all periods shall consist of the period from (but excluding) the first day of the relevant period up to (and including) the last day of the relevant period.

6. **Floating Rate Note, Equity and Proprietary Index-Linked, Commodity-Linked, Currency-Linked, Inflation-Linked, Futures Contract-Linked, Property-Linked and Fund-Linked Interest Note Provisions**

6.1 *Application*

This Condition 6 (*Floating Rate Note, Equity and Proprietary Index-Linked, Commodity-Linked, Currency-Linked, Inflation-Linked, Futures Contract-Linked, Property-Linked and Fund-Linked Interest Note Provisions*) is applicable to the Notes only if one or more of the Floating Rate Note Provisions, Equity and Proprietary Index-Linked, Commodity-Linked, Currency-Linked, Inflation-Linked, Futures Contract-Linked, Property-Linked or Fund-Linked Interest Note Provisions are specified in the applicable Pricing Supplement as being applicable.

6.2 *Accrual of interest*

The Floating Rate Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 24 (*Payments – Registered Notes*) and Condition 25 (*Payments – Uncertificated Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon such due date, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Floating Rate Note, Equity and Proprietary Index-Linked, Commodity-Linked, Currency-Linked, Inflation-Linked, Futures Contract-Linked, Property-Linked and Fund-Linked Interest Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is 7 Business Days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh Business Day (except to the extent that there is any subsequent default in payment). The Rate of Interest in respect of all or any Interest Periods shall, if so specified in the applicable Pricing Supplement, be zero.

6.3 *Screen Rate Determination*

Subject to the provisions of Condition 6.5 (*Provisions specific to SOFR as Reference Rate*), Condition 6.6 (*Provisions specific to SONIA as Reference Rate*), Condition 6.14 (*Relevant Rates Benchmark Discontinuance or Prohibition on Use*), where such provisions are specified to apply in the applicable Pricing Supplement, Condition 6.15 (*Effect of Benchmark Transition Event*) or

Condition 6.16 (*General Fallback Arrangements*), if Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Determination Agent on the following basis:

(a) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Determination Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(b) in any other case, the Determination Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(c) if, in the case of Condition 6.3(a) above, such rate does not appear on that page or, in the case of Condition 6.3(b) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Determination Agent will:

(i) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(ii) determine the arithmetic mean of such quotations; and

(d) if fewer than two such quotations are provided as requested, the Determination Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Determination Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Determination Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined, provided, however, that if the Determination Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

6.4 *ISDA Determination*

Subject to the provisions of Condition 6.14 (*Relevant Rates Benchmark Discontinuance or Prohibition on Use*), where such provisions are specified to apply in the applicable Pricing Supplement, Condition 6.15 (*Effect of Benchmark Transition Event*) or Condition 6.16 (*General Fallback Arrangements*), if ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Determination Agent under an interest rate swap transaction if the Determination Agent were acting as Determination Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(a) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the applicable Pricing Supplement;

(b) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the applicable Pricing Supplement; and

(c) the relevant Reset Date (as defined in the ISDA Definitions) is either (i) if the relevant Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

6.5 *Provisions specific to SOFR as Reference Rate*

(i) If Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined and SOFR is specified in the relevant Pricing Supplement as the Reference Rate, the Rate(s) of Interest for an Interest Period will be the SOFR Accrued Interest Compounding Factor plus or minus (as indicated in the applicable Pricing Supplement) the Margin (as specified in the relevant Pricing Supplement), subject to a minimum of zero per cent..

(ii) With respect to any Interest Period, the "**SOFR Accrued Interest Compounding Factor**" means the rate of return of a daily compound interest investment computed in accordance with the following formula (with the resulting percentage rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right] x \frac{360}{d}$$

where:

"**d_0**", for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period.

"**i**" is a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period.

"**$SOFR_i$**", for any day "i" in the relevant Interest Period, means a reference rate equal to SOFR in respect of that day.

"**n_i**" means the number of calendar days in the relevant Interest Period on which the rate is $SOFR_i$.

"**d**" means the number of calendar days in the relevant Interest Period.

For these calculations, the interest rate in effect on any U.S. Government Securities Business Day will be the applicable rate as reset on that date. The interest rate applicable to any other day is the interest rate from the immediately preceding U.S. Government Securities Business Day.

For the purposes of calculating SOFR with respect to the final Interest Period, the level of SOFR for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Maturity Date or the redemption date, as applicable, shall be the level of SOFR in respect of such SOFR Rate Cut-Off Date.

"**SOFR**" means, with respect to any U.S. Government Securities Business Day:

(1) the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day as provided by the New York Federal Reserve, as the administrator of such rate (or a successor administrator) on the New York Federal Reserve's Website on or about 5:00 p.m. (New York time) on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day; or

(2) if the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day does not appear as specified in paragraph (1), unless both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Secured Overnight Financing Rate in respect of the last U.S.

Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website; or

(3) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the provisions of Condition 6.5(iii) below will apply.

"**New York Federal Reserve**" means the Federal Reserve Bank of New York.

"**New York Federal Reserve's Website**" means the website of the New York Federal Reserve, currently at http://www.newyorkfed.org, or any successor source.

(iii) Effect of Benchmark Transition Event

(A) *Benchmark Replacement.* If the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.

(B) *Benchmark Replacement Conforming Changes.* In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.

(C) *Decisions and Determinations.*Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 6.5(iii) (*Effect of Benchmark Transition Event*), 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 the Issuer's or its designee'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.

6.6 *Provisions specific to SONIA as Reference Rate*

(i) If Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined and SONIA is specified in the relevant Pricing Supplement as the Reference Rate, the Rate(s) of Interest for an Interest Period will be the relevant SONIA Benchmark plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any) (as specified in the relevant Pricing Supplement), subject to a minimum of zero per cent..

(ii) The "**SONIA Benchmark**" will be determined based on either SONIA Compound with Lookback or SONIA Compound with Observation Period Shift, as follows:

(1) if SONIA Compound with Lookback ("**SONIA Compound with Lookback**") is specified as applicable in the relevant Pricing Supplement, the SONIA Benchmark for each Interest Period shall be equal to the value of the SONIA rates for each day during the relevant Interest Period, compounded daily in accordance with the following formula (with the resulting percentage rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left(\prod_{i=1}^{d_0}\left(1+\frac{\text{SONIA}_{i-\text{pLBD}}\times n_i}{365}\right)-1\right)\times\frac{365}{d}$$

where:

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_0**" for any Interest Period, means the number of London Banking Days in the relevant Interest Period;

"**i**" is a series of whole numbers from one to d_0, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n_i**" for any London Banking Day "i" in the relevant Interest Period, means the number of calendar days from, and including, such day "i" up to, but excluding, the following London Banking Day ("**i+1**");

"**Lookback Days**" means the number of London Banking Days specified in the relevant Pricing Supplement;

"**SONIA**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day; and

"**SONIA_i-pLBD**" for any London Banking Day "i" in the relevant Interest Period, is equal to the SONIA in respect of the London Banking Day falling a number of London Banking Days prior to that day "i" equal to the number of Lookback Days.

(2) if SONIA Compound Observation Period Shift ("**SONIA Compound Observation Period Shift**") is specified as applicable in the relevant Pricing Supplement, the SONIA Benchmark for each Interest Period shall be equal to the value of the SONIA rates for each day during the relevant Observation Period, compounded daily in accordance with the following formula (with the resulting percentage rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left(\prod_{i=1}^{d_0}\left(1+\frac{\text{SONIA}_i\times n_i}{365}\right)-1\right)\times\frac{365}{d}$$

where:

"**d**" means the number of calendar days in the relevant Observation Period;

"**d_0**" for any Observation Period, means the number of London Banking Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to d_0, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Observation Period;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n_i**" for any London Banking Day "i" in the relevant Observation Period, means the number of calendar days from, and including, such day "i" up to, but excluding, the following London Banking Day ("**i+1**");

"**Observation Period**" means, in respect of each Interest Period, the period from, and including, the date falling a number of London Banking Days equal to the Observation Shift Days preceding the first day of the such Interest Period to, but excluding, the date falling a number of London Banking Days equal to the Observation Shift Days preceding the Interest Payment Date for such Interest Period;

"**Observation Shift Days**" means the number of London Banking Days specified in the relevant Pricing Supplement; and

"**SONIA**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day; and

"**SONIA$_i$**" for any London Banking Day "i" in the relevant Observation Period, is equal to SONIA in respect of that day "i".

6.7 *Equity and Proprietary Index-Linked, Commodity-Linked, Currency-Linked, Inflation-Linked, Futures Contract-Linked, Property-Linked and Fund-Linked Interest Note Provisions*

If one or more of the Equity and Proprietary Index-Linked, Commodity-Linked, Currency-Linked, Inflation-Linked, Futures Contract-Linked or Fund-Linked Interest Note Provisions are specified in the applicable Pricing Supplement as being applicable, the interest payable in respect of the Notes for each Interest Period will be determined in the manner specified in the applicable Pricing Supplement.

6.8 *Maximum or Minimum Rate of Interest*

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the applicable Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

6.9 *Calculation of Interest Amount*

In respect of Floating Rate Notes and (unless otherwise specified in the applicable Pricing Supplement) in respect of Notes for which one or more of the Equity and Proprietary Index-Linked, Commodity-Linked, Currency-Linked, Inflation-Linked, Futures Contract-Linked or Fund-Linked Interest Note Provisions are specified in the applicable Pricing Supplement as being applicable ("**Other Underlying Interest Linked Notes**"), the Determination Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Floating Rate Note or, as the case may be, Other Underlying Interest Linked Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

6.10 *Calculation of other amounts*

If the applicable Pricing Supplement specifies that any other amount is to be calculated by the Determination Agent, the Determination Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Determination Agent in the manner specified in the applicable Pricing Supplement.

6.11 *Publication*

The Determination Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have been admitted to listing, trading and/or quotation as soon as practicable after such determination and in any event not later than 15 Business Days after such determination. Notice thereof shall also be given to the Noteholders as soon as practicable after such determination and in any event not later than 15 Business Days after such determination. The Determination Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) in the event of an extension or shortening of the relevant Interest Period and shall be required to notify the Noteholders, the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have been admitted to listing, trading and/or quotation as soon as practicable after such recalculation.

6.12 *Notifications etc*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (*Floating Rate Note, Equity and Proprietary Index-Linked, Commodity-Linked, Currency-Linked, Inflation-Linked, Futures Contract-Linked, Property-Linked and Fund-Linked Interest Note Provisions*) by the Determination Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Determination Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

6.13 *Interest on Swedish Notes*

For the purposes of calculation of any amount of interest on Swedish Notes, the provisions of this Condition 6 (*Floating Rate Note, Equity and Proprietary Index-Linked, Commodity-Linked, Currency-Linked, Inflation-Linked, Futures Contract-Linked, Property-Linked and Fund-Linked Interest Note Provisions*) shall be amended so that all periods shall consist of the period from (but excluding) the first day of the relevant period up to (and including) the last day of the relevant period.

6.14 *Relevant Rates Benchmark Discontinuance or Prohibition on Use*

If (i) the Relevant Rates Benchmark is neither U.S. Dollar LIBOR nor SOFR; and (ii) the applicable Pricing Supplement specifies that the provisions of this Condition 6.14 (*Relevant Rates Benchmark Discontinuance or Prohibition on Use*) are applicable, then, notwithstanding the terms set forth elsewhere in these Conditions, if the Determination Agent determines that any of the following events has occurred:

(a) a public statement or publication of information by or on behalf of the administrator of the Relevant Rates Benchmark announcing that it has ceased or will cease to provide the Relevant Rates Benchmark permanently or indefinitely, provided that, at the time of statement or publication, there is no successor administrator that will continue to provide the Relevant Rates Benchmark; or

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

(c) where the Relevant Rates Benchmark is a LIBOR (other than U.S. dollar LIBOR which is addressed in Condition 6.15 (*Effect of Benchmark Transition Event*) below), a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Rates Benchmark announcing that the Relevant Rates Benchmark is no longer representative; or

(d) unless otherwise specified in the Pricing Supplement, an Administrator/Benchmark Event occurs in relation to a Relevant Rates Benchmark,

then the Determination Agent may use, as a substitute for the Relevant Rates Benchmark, and for each future Interest Determination Date (or other rate fixing date), the alternative rates benchmark determined in accordance with the following provisions:

(i) if an alternative reference rate, index or benchmark is specified in the Pricing Supplement for this purpose (an "**Alternative Pre-nominated Reference Rate**"), such Alternative Pre-nominated Reference Rate; or

(ii) if an Alternative Pre-nominated Reference Rate is not specified in the Pricing Supplement, the alternative reference rate, index or benchmark selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction of the applicable index currency that is consistent with accepted market practice (the rate determined under sub-paragraph (i) above or this sub-paragraph (ii), the "**Alternative Rate**").

The Determination Agent may, after consultation with the Issuer, determine any adjustments to the Alternative Rate or the Margin (which may include the addition of an adjustment spread, which may be positive or negative, in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value to or from the Issuer as a result of the replacement of the Relevant Rates Benchmark with the Alternative Rate), as well as the applicable Business Day Convention, Interest Determination Dates (or any other rate fixing dates) and related provisions and definitions of the Notes, in each case that are consistent with accepted market practice for the use of such Alternative Rate for debt obligations such as the Notes.

If the Determination Agent determines, after consultation with the Issuer, that no such Alternative Rate exists on the relevant date, it may, after consultation with the Issuer, determine an alternative rate to be used as a substitute for the Relevant Rates Benchmark (which shall be the "Alternative Rate" for the purposes of these provisions), as well as any adjustments to the Margin (including any adjustment spread), the Business Day Convention, the Interest Determination Dates (or any other rate fixing dates) and related provisions and definitions in respect of the Notes, in each case, that are consistent with accepted market practice for the use of such Alternative Rate for debt obligations such as the Notes.

The Issuer will then provide a notice, in accordance with Condition 35 (*Notices*), to Noteholders to inform them of the occurrence of any of the events listed in Conditions 6.14(a) to 6.14(c) (*Relevant Rates Benchmark Discontinuance or Prohibition on Use*) above, the Alternative Rate and any adjustment determinations which will apply to the Notes. The notice shall also confirm the effective date of the Alternative Rate and any adjustments.

Notwithstanding anything else in this Condition 6.14 (*Relevant Rates Benchmark Discontinuance or Prohibition on Use*), if the Determination Agent determines that the selection of a particular index, benchmark or other price as an "Alternative Rate" (taking into account any necessary adjustments that would need to be made in accordance with this Condition 6.14 (*Relevant Rates Benchmark Discontinuance or Prohibition on Use*)) (1) is or would be unlawful under any applicable law or regulation; or (2) would contravene any applicable licensing requirements; or (3) would result in the Determination Agent, the Issuer or the Calculation Agent being considered to be administering a benchmark, index or other price source whose production, publication, methodology or governance would subject the Determination Agent, the Issuer or the Calculation Agent to material additional regulatory obligations which it is unwilling to undertake, then the Determination Agent shall not select such index, benchmark or price source as the Alternative Rate).

If the Determination Agent is unable to identify an Alternative Rate and determine the necessary adjustments to the terms of the Notes, then the Issuer may, in its reasonable discretion, determine that the Notes shall be redeemed as of any later date. If the Issuer so determines that the Notes shall be redeemed, then the Issuer shall give not less than five Business Days' notice to the Noteholders to redeem the Notes and upon redemption the Issuer will pay in respect of each Note an amount equal to the Early Redemption Amount.

The Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

6.15 *Effect of Benchmark Transition Event*

This Condition 6.15 (*Effect of Benchmark Transition Event*) applies where the Relevant Rates Benchmark is U.S. Dollar LIBOR.

(a) *Benchmark Replacement.* If the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.

(b) *Benchmark Replacement Conforming Changes.* In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.

(c) *Decisions and Determinations.* Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 6.15 (*Effect of Benchmark Transition Event*), 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 the Issuer's or its designee'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.

6.16 *General Fallback Arrangements*

Notwithstanding the terms set forth elsewhere in these Conditions, and unless the applicable Pricing Supplement specifies that the provisions of Condition 6.14 (*Relevant Rates Benchmark Discontinuance or Prohibition on Use*) apply or unless Condition 6.15 (*Effect of Benchmark Transition Event*) applies, (a) if LIBOR, EURIBOR or SONIA, as applicable, has been permanently discontinued, or (b) in the case where the Relevant Rates Benchmark is a LIBOR (other than U.S. dollar LIBOR which is addressed in Condition 6.15 (*Effect of Benchmark Transition Event*) above), upon the occurrence of a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Rates Benchmark announcing that the Relevant Rates Benchmarkis no longer representative, the Determination Agent will use, as a substitute for LIBOR, EURIBOR or SONIA (as the case may be) and for each future Interest Determination Date, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction of the applicable index currency that is consistent with accepted market practice (the "**Alternative Rate**"). The Determination Agent will, after consultation with the Issuer, make such adjustments to the Alternative Rate or the Margin, as well as the applicable Business Day Convention, Interest Determination Dates and related provisions and definitions of the Notes, in each case that are consistent with accepted market practice for the use of such Alternative Rate for debt obligations such as the Notes. However, in the case of EURIBOR only, if the Determination Agent determines, after consultation with the Issuer, that no such Alternative Rate exists on the relevant date, it shall make a determination, after consultation with the Issuer, of an alternative rate as a substitute for EURIBOR, for debt obligations such as the Notes, as well as the Margin, the Business Day Convention and the Interest Determination Dates in respect of the Notes, that is consistent with accepted market practice.

7. Zero Coupon Note Provisions

7.1 *Application*

This Condition 7 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the "Zero Coupon Note Provisions" are specified in the applicable Pricing Supplement as being applicable.

7.2 *Late payment on Zero Coupon Notes*

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount in respect of each Note shall thereafter be an amount equal to the product of (a) the Calculation Amount of such Note and (b) the percentage produced by the following formula:

$$\text{Reference Price} \times (1+\text{Accrual Yield})^{n}$$

where "n" means the number of years from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is 15 Business Days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such 15th Business Day (except to the extent that there is any subsequent default in payment) and the calculation shall be made on the basis of such Day Count Fraction as may be specified in the applicable Pricing Supplement or, if none is so specified, a Day Count Fraction of 30/360.

7.3 *Interest on Swedish Notes*

For the purposes of calculation of any amount of interest on Swedish Notes, the provisions of this Condition 7 (*Zero Coupon Note Provisions*) shall be amended so that the relevant period shall consist of the period from (but excluding) the Issue Date up to (and including) the earlier of the dates specified in Conditions 7.2(i) and 7.2(ii).

8. Dual Currency-Linked Note Provisions

8.1 *Application*

This Condition 8 (*Dual Currency-Linked Note Provisions*) is applicable to the Notes only if the "Dual Currency Redemption Provisions" and/or "Dual Currency-Linked Note Interest Provisions" are specified in the applicable Pricing Supplement as being applicable.

8.2 *Rate of Interest*

If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

9. Equity and Proprietary Index-Linked, Commodity-Linked, Currency-Linked, Inflation-Linked, Property-Linked, Fund-Linked, Futures-Contract Linked, Credit-Linked and ETN-Linked Notes

9.1 *Morgan Stanley, MSI plc, MSBV or MSFL may issue Notes*

(a) the payment of principal of which and/or interest on which are linked to the shares of an entity or a basket of shares of entities not affiliated with the Issuer and/or to a single index of shares or indices of shares, a single proprietary index or proprietary indices, and/or interests in a single exchange traded fund or basket of exchange traded funds (respectively, "**Single Share Notes**", "**Share Basket Notes**", "**Single Index Notes**" (which shall include Notes linked to a single proprietary index), "**Index Basket Notes**" (which shall include Notes linked to a basket of

proprietary indices), "**Single ETF Notes**" and "**ETF Basket Notes**", and together, "**Equity and Proprietary Index-Linked Notes**");

(b) the payment of principal of which and/or interest on which are to be determined by reference to one or more commodity prices ("**Commodity-Linked Notes**");

(c) the payment of principal of which and/or interest on which are to be determined by reference to one or more currencies as compared to the value of one or more other currencies ("**Currency-Linked Notes**");

(d) the payment of principal of which and/or interest on which are linked to one or more inflation indices ("**Inflation-Linked Notes**");

(e) the payment of principal of which or/interest on which are linked to a single futures contract or a basket of futures contracts (respectively "**Single Futures Contract-Linked Notes**" and "**Futures Contract Basket-Linked Notes**" and together, "**Futures Contract-Linked Notes**");

(f) the payment of principal of which and/or interest on which are linked to the credit of one or more specified entities ("**Credit-Linked Notes**");

(g) the payment of principal of which and/or interest on which are linked to one or more ETNs ("**ETN-Linked Notes**");

(h) the payment of principal of which and/or interest on which are linked to one or more property indices ("**Property-Linked Notes**");

(i) the payment of principal of which or/interest on which are linked to interests in a fund or basket of funds (respectively "**Single Fund Notes**" and "**Fund Basket Notes**", together "**Fund-Linked Notes**"); or

(j) on any other terms and conditions,

in each case, in accordance with the Conditions herein which are specified as applicable to Equity and Proprietary Index-Linked Notes, Commodity-Linked Notes, Currency-Linked Notes, Inflation-Linked Notes, Futures Contract-Linked Notes, Credit-Linked Notes, ETN-Linked Notes, Property-Linked Notes or Fund-Linked Notes, as the case may be, and the detailed terms and conditions set out in the applicable Pricing Supplement.

10. Provisions relating to Equity and Proprietary Index-Linked Notes

This Condition 10 (*Provisions relating to Equity and Proprietary Index-Linked Notes*) is applicable only in relation to Notes specified in the applicable Pricing Supplement as being Single Share Notes, Share Basket Notes, Single Index Notes, Index Basket Notes, Single ETF Notes or ETF Basket Notes ("**Equity and Proprietary Index-Linked Notes**").

10.1 *Reference Dates, Averaging Dates and Market Disruption*

(a) If a Reference Date is not a Scheduled Trading Day, the relevant Reference Date shall be the next succeeding Scheduled Trading Day or, if either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, the next succeeding Common Scheduled Trading Day.

(b) If any Scheduled Reference Date is a Disrupted Day, then:

(i) in the case of a Single Index Note, Single Share Note or Single ETF Note, the relevant Reference Date shall be the earlier of (i) the first succeeding Scheduled Trading Day that is not in the determination of the Determination Agent a Disrupted Day and (ii) the Reference Cut-Off Date (notwithstanding that such Scheduled Trading Day is a Disrupted Day).

(ii) in the case of an Index Basket Note, a Share Basket Note or an ETF Basket Note (as the case may be):

(A) where "Individual Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:

(1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and

(2) the Reference Date for any Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an "**Affected Basket Component**") shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component; and (B) the Reference Cut-Off Date for such Affected Basket Component (notwithstanding that such day may not be a Scheduled Trading Day).

(B) where "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then the Reference Date for each Basket Component shall be the earlier of (i) the first Common Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day with respect to any Basket Component; and (ii) the Reference Cut-Off Date (notwithstanding that such day may not be a Common Scheduled Trading Day).

(C) where "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:

(1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and

(2) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an "**Affected Basket Component**") shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component; and (B) the Reference Cut-Off Date for such Affected Basket Component (notwithstanding that such day may not be a Common Scheduled Trading Day or a Scheduled Trading Day).

(iii) in the case of any Single Index Note, Single Share Note, Single ETF Note, Index Basket Note, Share Basket Note or ETF Basket Note (as the case may be), where a Reference Date falls on the relevant Reference Cut-Off Date pursuant to Condition 10.1(b)(ii), then:

(A) if such Reference Cut-Off Date is not a Disrupted Day for such Single Index Note, Single Share Note, Single ETF Note, Index Basket Note, Share Basket Note or ETF Basket Note (as the case may be), the Determination Agent shall determine the level of such Index or the value of such Underlying Share or ETF Interest (as the case may be) as at the Determination Time on such Reference Cut-Off Date; or

(B) if such Reference Cut-Off Date is a Disrupted Day:

(1) in respect of Single Index Notes and Index Basket Notes, the Determination Agent shall determine, in its reasonable discretion, the level of such Index as of the Determination Time on the Reference Cut-Off Date in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using (x) except in respect of a Proprietary Index, the Exchange traded or quoted price as of the Determination Time on such Reference Cut-Off Date of each security (or other property) comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on such Reference Cut-Off Date, its good faith estimate of the value for the relevant security as of the Determination Time on such Reference Cut-Off Date) and (y) in respect of a Proprietary Index, such levels or values as the Determination Agent determines to be appropriate as of the Determination Time on or in respect of such Reference Cut-off Date of each Component comprised in such Proprietary Index in respect of such Reference Cut-off Date; and

(2) in respect of Single Share Notes, Single ETF Notes, Share Basket Notes and ETF Basket Notes (as the case may be), the Determination Agent shall determine, in its reasonable discretion, its good faith estimate of the value for such Underlying Share or ETF Interest (as the case may be) as of the Determination Time on such Reference Cut-Off Date.

(c) If Averaging Dates are specified in the applicable Pricing Supplement as being applicable, then, notwithstanding any other provisions of these Conditions, the following provisions will apply to the valuation of the relevant Index, Underlying Share, ETF Interest, Basket of Indices, Basket of Shares or Basket of ETF Interests in relation to the relevant Reference Date:

(i) For purposes of determining the Settlement Price in relation to a Reference Date, the Settlement Price will be:

(A) in respect of a Single Index Note, a Single Share Note, a Single ETF Note, the arithmetic mean of the Relevant Prices of the Index, the Underlying Shares or the ETF Interest (as the case may be) on each Averaging Date;

(B) in respect of an Index Basket Note, the arithmetic mean of the amounts for the Basket of Indices determined by the Determination Agent in its reasonable discretion as provided in the applicable Pricing Supplement as of the relevant Determination Time(s) on each Averaging Date or, if no means for determining the Settlement Price are so provided, the arithmetic mean of the amounts for the Basket calculated on each Averaging Date as the sum of the Relevant Prices of each Index comprised in the Basket (weighted or adjusted in relation to each Index as provided in the applicable Pricing Supplement);

(C) in respect of a Share Basket Note, the arithmetic mean of the amounts for the Basket of Shares determined by the Determination Agent in its reasonable discretion as provided in the applicable Pricing Supplement as of the relevant Determination Time(s) on each Averaging Date or, if no means for determining the Settlement Price is so provided, the arithmetic mean of the amounts for the Basket calculated on each Averaging Date as the sum of the values calculated for the Underlying Shares of each Underlying Share Issuer as the product of (1) the Relevant Price of such Underlying Share and (2) the number of such Underlying Shares comprised in the Basket; and

(D) in respect of an ETF Basket Note, the arithmetic mean of the amounts for the Basket of ETF Interests determined by the Determination Agent in its reasonable discretion as provided in the applicable Pricing Supplement as of the relevant Determination Times(s) on each Averaging Date or, if no means for determining the Settlement Price is provided, the arithmetic mean of the amounts for the Basket calculated on each Averaging Date as the sum of the values calculated for the ETF Interests as the product of (1) the Relevant Price of such ETF Interest and (2) the number of such ETF Interests comprised in the Basket.

(ii) If, in respect of a Single Index Note, a Single Share Note or a Single ETF Note, a Scheduled Averaging Date is determined by the Determination Agent to be a Disrupted Day, then if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is:

(A) "**Omission**", then such date will be deemed not to be a relevant Averaging Date in respect of such Reference Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur with respect to the relevant Reference Date, then Condition 10.1(b) (*Reference Dates, Averaging Dates and Market Disruption*) above will apply for purposes of determining the relevant level, price or amount on the final Averaging Date in respect of that Reference Date as if such final Averaging Date were a Reference Date that was a Disrupted Day;

(B) "**Postponement**", then Condition 10.1(b) (*Reference Dates, Averaging Dates and Market Disruption*) above will apply for the purposes of determining the relevant level, price or amount on that date as if such date were a Reference Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the relevant Notes; or

(C) "**Modified Postponement**", then the Averaging Date shall be the earlier of (I) the first Valid Date following the Scheduled Averaging Date and (II) the Averaging Cut-Off Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date.

(iii) If, in respect of an Index Basket Note, a Share Basket Note or an ETF Basket Note, a Scheduled Averaging Date in respect of a Reference Date is determined by the Determination Agent to be a Disrupted Day in respect of any Basket Component, then:

(A) where "Individual Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Omission":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) such date shall not be an Averaging Date in respect of such Reference Date for any Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **"Affected Basket Component"**), provided that if through the operation of this provision there would not be any Averaging Date in respect of such Reference Date for the Affected Basket Component, then the sole Averaging Date for such Affected Basket Component shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component;

(2) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component. Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 10.1(c)(iii)(A)(2)(b) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

(3) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Modified Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Valid Date following the Scheduled Averaging Date in respect of such Affected Basket

Component and (II) the Averaging Cut-Off Date for such Affected Basket Component, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;

(B) where "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Omission", such date will be deemed not to be a relevant Averaging Date in respect of any Basket Component for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision there would be no Averaging Date in respect of such Reference Date, then the sole Averaging Date for each Basket Component shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day for any Basket Component and (B) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day);

(2) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Postponement", then the Averaging Date for each Basket Component shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of any Basket Component and (B) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day). Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 10.1(c)(iii)(B)(2) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

(3) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Modified Postponement", then the Averaging Date for each Basket Component shall be the earlier of (I) the first Common Valid Date following the Scheduled Averaging Date and (II) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day), irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;

(C) where "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Omission":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) such date shall not be an Averaging Date in respect of such Reference Date for any Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**"), provided that if through the operation of this provision there would not be any Averaging Date in respect of such Reference Date for the Affected Basket Component, then the sole Averaging Date for such Affected Basket Component shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component (notwithstanding the fact that such day may not be a Common Scheduled Trading Day);

(2) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component (notwithstanding the fact that such day not be a Common Scheduled Trading Day). Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 10.1(c)(iii)(C)(2)(b) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

(3) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Modified Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Valid Date (that is a Scheduled Trading Day) following the Scheduled Averaging Date in respect of such Affected Basket Component and (II)

the Averaging Cut-Off Date for such Affected Basket Component, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;

(iv) If, in respect of any Single Index Note, Single Share Note, Single ETF Note, Index Basket Note, Share Basket Note or ETF Basket Note (as the case may be), an Averaging Date falls on the relevant Averaging Cut-Off Date pursuant to Condition 10.1(c)(iii):

(A) if such Averaging Cut-Off Date is not a Disrupted Day for such Single Index Note, Single Share Note, Single ETF Note, Index Basket Note, Share Basket Note or ETF Basket Note (as the case may be), the Determination Agent shall determine the level of such Index or the value of such Underlying Share or ETF Interest (as the case may be) as at the Determination Time on such Averaging Cut-Off Date; or

(B) if such Averaging Cut-Off Date is a Disrupted Day:

(1) in respect of Single Index Notes and Index Basket Notes, the Determination Agent shall determine, in its reasonable discretion, the level of such Index as of the Determination Time on such date in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using (x) except in respect of a Proprietary Index, the Exchange traded or quoted price as of the Determination Time on such Averaging Cut-Off Date of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on such Averaging Cut-Off Date, its good faith estimate of the value for the relevant security as of the Determination Time on such Averaging Cut-Off Date) and (y)_in respect of a Proprietary Index, such levels or values as the Determination Agent determines to be appropriate as of the Determination Time on or in respect of such Averaging Cut-Off Date of each Component comprised in such Proprietary Index in respect of such Averaging Cut-off Date; and

(2) in respect of Single Share Notes, Single ETF Notes, Share Basket Notes and ETF Basket Notes (as the case may be), the Determination Agent shall determine, in its reasonable discretion, its good faith estimate of the value for such Share or ETF Interest (as the case may be) as of the Determination Time on such Averaging Cut-Off Date.

(v) If any Averaging Dates in relation to a Reference Date occur after that Reference Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Maturity Date or, as the case may be, the relevant Physical Settlement Date or (ii) the occurrence of an Extraordinary Event, an Extraordinary ETF Event, an Index Adjustment Event, a Potential Adjustment Event or an Additional Disruption Event shall be determined by reference to the last such Averaging Date as though it were that Reference Date.

10.2 *Adjustments to Indices and Additional Disruption Events*

This Condition 10.2 (*Adjustments to Indices and Additional Disruption Events*) is applicable only in relation to Notes specified in the applicable Pricing Supplement as being Single Index Notes or Index Basket Notes.

(a) *Successor Index*:

If a relevant Index is (i) not calculated and announced by the Index Sponsor, but is calculated and announced by a successor sponsor acceptable to the Determination Agent in its reasonable discretion or (ii) replaced by a Successor Index using, in the determination of the Determination Agent (such determination to be at the Determination Agent's reasonable discretion), the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

(b) *Index Cancellation or Administrator/Benchmark Event Date*:

If on or prior to any Reference Date or Averaging Date either (1) the Index Sponsor permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**") or (2) the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occur in respect of such Index, then:

(i) If the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and if an Alternative Pre-nominated Index has been specified in relation to such Index in the applicable Pricing Supplement, then:

(A) the Determination Agent shall attempt to determine an Adjustment Payment;

(B) if the Determination Agent determines an Adjustment Payment,

(1) it shall notify the Issuer of the Adjustment Payment and if the Adjustment Payment is an amount that the Noteholder would (but for Condition 10.2(b)(i)(B)(3)(b)) be required to pay to the Issuer in respect of each Note, request the Issuer to notify the Determination Agent whether it intends to redeem the Notes pursuant to Condition 10.2(d) (*Redemption for Index Adjustment Event*). If the Issuer does not intend to redeem the Notes pursuant to Condition 10.2(d) (*Redemption for Index Adjustment Event*) then the following provisions of this Condition 10.2(b)(i) (*Index Cancellation or Administrator/Benchmark Event Date*) shall apply;

(2) the terms of the Notes shall be amended so that references to the Index are replaced by references to the Alternative Pre-nominated Index;

(3) the Conditions shall be adjusted to implement the Adjustment Payment as follows:

(a) if the Adjustment Payment is an amount that the Issuer is required to pay in respect of each Note, the Determination Agent shall adjust the Conditions to provide for the payment of the Adjustment Payment on the immediately succeeding Interest Payment Date or if there is no such immediately succeeding Interest Payment Date, on the Maturity Date or other date when the Notes are redeemed in full; or

(b) if the Adjustment Payment is an amount that the Noteholder would (but for this Condition 10.2(b)(i)(B)(3)(b)) be required to pay to the Issuer in respect of each Note, the Determination Agent shall adjust the Conditions to provide for the reduction of the amounts due by the Issuer until the aggregate amount of such reductions is equal to the

Adjustment Payment, (subject, in the determination of the Determination Agent, to any minimum redemption amount of the Notes which the Determination Agent determines is required pursuant to any applicable law or regulation (including, without limitation, any tax law) and the rules of each listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation);

(4) the Determination Agent shall make such other adjustments to the Conditions as it determines necessary or appropriate in order to account for the effect of the replacement of the Index with the Alternative Pre-nominated Index and/or to preserve as nearly as practicable the economic equivalence of the Notes before and after the replacement of the Index with the Alternative Pre-nominated Index; and

(5) the Determination Agent shall notify the Issuer, the Fiscal Agent and the Noteholders of any replacement of the Index by the Alternative Pre-nominated Index, the Adjustment Payment and any other adjustments to the Conditions, giving summary details of the adjustment(s), provided that any failure to give such notice shall not affect the validity of the foregoing.

(C) If the Determination Agent is unable to determine an Adjustment Payment, then Condition 10.2(d) (*Redemption for Index Adjustment Event*) shall apply.

(ii) If the applicable Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable or, if the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Index in relation to the Relevant Equity Index Benchmark, then Condition 10.2(d) (*Redemption for Index Adjustment Event*) shall apply.

(c) *Index Modification and Index Disruption*:

If (i) on or prior to any Reference Date or Averaging Date, a relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituents and capitalisation and other routine events) (an "**Index Modification**") or (ii) on any Reference Date or Averaging Date, the Index Sponsor fails to calculate and announce a relevant Index (provided that the Determination Agent may, in its reasonable discretion, determine that, in respect of a Multi-Exchange Index or a Proprietary Index, such failure to calculate and announce such Index shall instead be a Disrupted Day in respect of such Index) (an "**Index Disruption**") then the Determination Agent shall determine if such Index Modification or Index Disruption has a material effect on the Notes and, if so, subject to Condition 10.2(d) (*Redemption for Index Adjustment Event*), shall calculate in its reasonable discretion the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at that Reference Date or, as the case may be, that Averaging Date as determined by the Determination Agent in its reasonable discretion in accordance with the formula for and method of calculating that Index last in effect prior to that change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event.

(d) *Redemption for Index Adjustment Event*:

If:

(i) an Index Cancellation occurs and the Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable;

(ii) an Index Cancellation or an Administrator/Benchmark Event Date occurs, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Index;

(iii) an Index Cancellation or an Administrator/Benchmark Event Date occurs, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Index but the Determination Agent is unable to determine the Adjustment Payment;

(iv) an Index Cancellation or an Administrator/Benchmark Event Date occurs, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Index and the Determination Agent determines that the Adjustment Payment would be an amount that the Noteholder would (but for Condition 10.2(b)(i)(B)(3)(b)) be required to pay to the Issuer in respect of each Note; or

(v) an Index Modification or an Index Disruption occurs and it (a) would be unlawful at any time under any applicable law or regulation or (b) would contravene any applicable licensing requirements, in each case for the Determination Agent to calculate the relevant Settlement Price in accordance with Condition 10.2(c) (*Index Modification and Index Disruption*),

then the Issuer may, at any time thereafter and in its reasonable discretion, determine that the Notes shall be redeemed as of any later date. If the Issuer so determines that the Notes shall be redeemed, then the Issuer shall give not less than five Business Days' notice to the Noteholders to redeem the Notes and upon redemption the Issuer will pay an amount in respect of each Note equal to the Early Redemption Amount.

The Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the formula for determining the Final Redemption Amount or the Settlement Price set out in the applicable Pricing Supplement and any other variable relevant to the settlement or payment terms of the Notes, which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Fiscal Agent shall provide notice to the Noteholders of any such change or adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

(e) *Correction of Index Levels*:

If the level of an Index published by the Index Sponsor and which is utilised by the Determination Agent for any calculation or determination (the "**Original Determination**") under the Notes is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index Sponsor by such time as may be specified in the applicable Pricing Supplement (or, if none is so specified, within one Settlement Cycle after the original publication and prior to the Maturity Date), then the Determination Agent will notify the Issuer and the Fiscal Agent of the Corrected Value as soon as reasonably practicable and shall determine the relevant value (the "**Replacement Determination**") using the Corrected Value. If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it determines to be necessary and practicable, the Determination Agent may, acting in good faith and a commercially reasonable manner, adjust any relevant terms of the Notes accordingly. The Fiscal Agent shall provide notice to the Noteholders of any such change or adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of

the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

(f) *Additional Disruption Events*:

If Additional Disruption Events are specified as applicable in the applicable Pricing Supplement, then, if an Additional Disruption Event occurs in respect of an Index or Indices:

(i) the Determination Agent will determine, in its reasonable discretion the appropriate adjustment, if any, to be made to any one or more of the Conditions relating to the calculation of Interest, Final Redemption Amount and/or any other amounts applicable to the Notes set out in the applicable Pricing Supplement and/or remove and/or substitute the affected Index, to account for the Additional Disruption Event and determine the effective date of that adjustment; or

(ii) by giving notice to Noteholders in accordance with Condition 35 (*Notices*), the Issuer, in its reasonable discretion, may redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Noteholders in accordance with Condition 35 (*Notices*) stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action to be taken.

(g) *Notice*:

Upon the occurrence of an Index Adjustment Event, the Determination Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 35 (*Notices*) giving details of the action proposed to be taken in relation thereto.

10.3 *Adjustments affecting Shares and ETF Interests*

This Condition 10.3 (*Adjustments affecting Shares and ETF Interests*) is applicable only in relation to Single Share Notes, Single ETF Notes, Share Basket Notes and ETF Basket Notes.

(a) *Adjustments for Potential Adjustment Events*: Following the declaration by the Share Issuer, the relevant ETF or an ETF Service Provider of the terms of a Potential Adjustment Event, the Determination Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares or ETF Interests and, if so, will (i) make such adjustment as it in its reasonable discretion considers appropriate, if any, to the formula for the Final Redemption Amount and/or the Settlement Price set out in the applicable Pricing Supplement, the number of Shares or ETF Interests to which each Note relates, the number of Shares or ETF Interests comprised in a Basket of Shares or Basket of ETF Interests, the amount, the number of or type of shares, fund interests or other securities which may be delivered in respect of such Notes and/or any other adjustment and, in any case, any other variable relevant to the exercise, settlement, payment or other terms of the relevant Notes as the Determination Agent determines, in its reasonable discretion, to be appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate, or liquidity relative to such Shares or ETF Interests) and (ii) determine, in its reasonable discretion, the effective date(s) of such adjustment(s). The Determination Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange or futures exchange to options or futures on the relevant Shares or ETF Interests, as the case may be, traded on such options exchange or futures exchange. The Fiscal Agent shall provide notice to the Noteholders of any such change or adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

(b) *Correction of Share and ETF Interest Prices*: If any price published on the Exchange and which is utilised by the Determination Agent for any calculation or determination (the "**Original**

Determination") under the Notes is subsequently corrected and the correction (the "**Corrected Value**") is published by the Exchange by such time as may be specified in the applicable Pricing Supplement (or, if none is so specified, within one Settlement Cycle after the original publication and prior to the Expiration Date), then the Determination Agent will notify the Issuer and the Fiscal Agent of the Corrected Value as soon as reasonably practicable and shall determine the relevant value (the "**Replacement Determination**") using the Corrected Value. If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it determines to be necessary and practicable, the Determination Agent may, acting in good faith and a commercially reasonable manner, adjust any relevant terms accordingly. The Fiscal Agent shall provide notice to the Noteholders of any such change or adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

10.4 *Extraordinary Events*

This Condition 10.4 (*Extraordinary Events*) is applicable only in relation to Notes specified in the applicable Pricing Supplement as being Single Share Notes, Single ETF Notes, Share Basket Notes or ETF Basket Notes.

(a) *Merger Event or Tender Offer*:

(i) Following the occurrence of any Merger Event or Tender Offer, the Issuer will, in its reasonable discretion, determine whether the relevant Notes shall continue or shall be redeemed early.

(ii) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may:

(A) substitute any Affected Share/ETF Interest with the Successor Share/ETF Interest relating to such Affected Share/ETF Interest, provided that if no Successor Share/ETF Interest has been identified within 10 Business Days of the Extraordinary Event Notice Date (as defined below), then sub-paragraph (B) below shall apply; and/or

(B) make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the formula for the Final Redemption Amount and/or the Settlement Price set out in the applicable Pricing Supplement, the number of Shares or ETF Interests to which each Note relates, the number of Shares or ETF Interests comprised in a Basket of Shares or Basket of ETF Interests (as the case may be), the amount, the number of or type of shares or other securities which may be delivered under such Notes and, in any case, any other variable relevant to the exercise, settlement, or payment terms of the relevant Notes and/or any other adjustment (including, without limitation, in relation to Share Basket Notes or ETF Basket Notes, the cancellation of terms applicable in respect of the Shares or ETF Interests affected by the relevant Merger Event or Tender Offer), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event or Tender Offer by an options exchange or futures exchange to options or futures on the relevant Shares or ETF Interests, as the case may be, traded on such options exchange or futures exchange, which adjustment shall be effective on such date as the Determination Agent shall determine. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or ETF Interests or to the Notes.

The Fiscal Agent shall provide notice to the Noteholders of (a) any Successor Share/ETF Interest identified in accordance with sub-paragraph (A) above and (b) any change or adjustment made in accordance with sub-paragraph (B) above, in each case in accordance with Condition 35.10 (*Notices*), giving summary details of the relevant change or adjustment, if applicable, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

(iii) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to the Noteholders to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment of (in the case of a Merger Event) an amount in respect of each Note equal to the Early Redemption Amount as specified in the applicable Pricing Supplement.

(iv) The Issuer shall as soon as reasonably practicable under the circumstances notify the Fiscal Agent of the Determination Agent's determination of the occurrence of an Extraordinary Event that is a Merger Event or Tender Offer (the date of such notice, the "**Extraordinary Event Notice Date**").

(v) For the purposes hereof:

"**Affected Share/ETF Interest**" means, at any time, any Share or ETF Interest, as applicable, in respect of which the Determination Agent has determined that a Merger Event or Tender Offer has occurred.

"**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Determination Agent, in its reasonable discretion;

"**Merger Event**" means, in respect of any relevant Shares or ETF Interests, as determined by the Determination Agent, acting in a commercially reasonable manner, any: (i) reclassification or change of such Shares or ETF Interests that results in a transfer of or an irrevocable commitment to transfer all of such Shares or ETF Interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or ETF with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer or ETF is the continuing entity and which does not result in a reclassification or change of all such Shares or ETF Interests outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares or ETF Interests of the Share Issuer or ETF that results in a transfer of or an irrevocable commitment to transfer all such Shares or ETF Interests (other than such Shares or ETF owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries or ETF or its sub-funds with or into another entity in which the Share Issuer or ETF is the continuing entity and which does not result in a reclassification or change of all such Shares or ETF Interests outstanding but results in the outstanding Shares or ETF Interests (other than Shares or ETF Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares or ETF Interests immediately following such event (a "**Reverse Merger**"), in each case if the Merger Date is on or before, (A) in respect of Physical Settlement Notes, the later to occur of the Maturity Date and the Physical Settlement Date or, (B) in any other case, the final Reference Date.

"**Successor Share/ETF Interest**" means, in respect of an Affected Share/ETF Interest, (1) if specified in the applicable Pricing Supplement, any Eligible Share or Eligible ETF Interest, as applicable; (2) if no Eligible Share or Eligible ETF Interest, as applicable, is specified, the successor Share or ETF Interest, as applicable, as determined by the Determination Agent, using commercially reasonable efforts, taking into account any factors which the Determination Agent determines to be relevant, including (but not limited to) the existence of any other Share or ETF Interest, as applicable, that is linked to or is a constituent of the same underlying index or asset as the Affected Share/ETF Interest, liquidity of the proposed successor Share or ETF Interest, as applicable, the prevailing market conditions at the time the Determination Agent makes its determination, the circumstances of the relevant Extraordinary Event, and the Issuer's hedging arrangements in respect of the relevant Notes; or (3) if the Determination Agent determines that it is unable to determine a suitable successor Share or ETF Interest, as applicable, the Determination Agent may determine that, where the Affected Share/ETF Interest is linked to the relevant underlying index (the "**Related Underlying Index**"), such Related Underlying Index (to the extent relevant) shall be the Successor Share/ETF

Interest and the provisions applicable to Index-Linked Notes will apply to the relevant Notes with such adjustments as the Determination Agent determines to be appropriate.

"**Tender Offer**" means, in respect of any Shares or ETF Interests, as determined by the Determination Agent, acting in a commercially reasonable manner, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Share Issuer or ETF, as determined by the Determination Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Determination Agent deems relevant.

"**Tender Offer Date**" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained, as determined by the Determination Agent in its reasonable discretion.

(b) *Nationalisation, Insolvency and Delisting*:

(i) If in the determination of the Determination Agent, acting in a commercially reasonable manner:

(A) all the Shares or ETF Interests or all or substantially all the assets of a Share Issuer, ETF or ETF Service Provider are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof ("**Nationalisation**"); or

(B) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding up of, or any analogous proceeding affecting, a Share Issuer, ETF or ETF Service Provider, (1) all the Shares or ETF Interests of that Share Issuer, ETF or ETF Service Provider are required to be transferred to a trustee, liquidator or other similar official or (2) holders of the Shares or ETF Interests of that Share Issuer, ETF or ETF Service Provider become legally prohibited from transferring them ("**Insolvency**"); or

(C) the Exchange announces that pursuant to the rules of such Exchange, the Shares or ETF Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re listed, re traded or re quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any Member State of the European Union) ("**Delisting**"),

then the Issuer will, in its reasonable discretion, determine whether or not the Notes shall continue.

(ii) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may:

(A) substitute any Affected Share/ETF Interest with the Successor Share/ETF Interest relating to such Affected Share/ETF Interest, provided that if no Successor Share/ETF Interest has been identified within 10 Business Days of the Extraordinary Event Notice Date, then sub-paragraph (B) below shall apply; and/or

(B) make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the formula for the Final Redemption Amount and/or the Settlement Price set out in the applicable Pricing Supplement, the number of Shares or ETF Interests to which each Note relates, the number of Shares or ETF Interests comprised in a Basket of Shares or a Basket of ETF Interests (as the case may be), the amount, the number of or type of shares or other securities which may be delivered under such Notes and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes

and/or any other adjustment (including, without limitation, in relation to Share Basket Notes or ETF Basket Notes, the removal from the Basket of Shares or Basket of ETF Interests of the Shares or ETF Interests affected by the relevant Nationalisation, Insolvency or Delisting with effect from the day selected by the Determination Agent, and the adjustment of the such terms of the Notes as the Determination Agent considers to be appropriate as a result of such removal), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Nationalisation, Insolvency or Delisting by an options exchange or futures exchange to options or futures on the relevant Shares or ETF Interests, as the case may be, traded on such options exchange or futures exchange, which change or adjustment shall be effective on such date as the Determination Agent shall determine. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or ETF Interests or to the Notes.

The Fiscal Agent shall provide notice to the Noteholders of (a) any Successor Share/ETF Interest identified in accordance with sub-paragraph (A) above and (b) any adjustment made in accordance with sub-paragraph (B) above, in each case in accordance with Condition 35.10 (*Notices*), giving summary details of the adjustment, if applicable, provided that any failure to give such notice shall not affect the validity of any such adjustment.

(iii) The Issuer shall as soon as reasonably practicable under the circumstances notify the Fiscal Agent of the Determination Agent's determination of the occurrence of an Extraordinary Event.

(iv) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to redeem the Notes. The Issuer's obligations under the Notes shall be satisfied in full upon payment of (in the case of a Merger Event) an amount in respect of each Note equal to the Early Redemption Amount as specified in the applicable Pricing Supplement.

(v) For the purposes hereof:

"**Affected Share/ETF Interest**" means, at any time, any Share or ETF Interest, as applicable, in respect of which the Determination Agent has determined that a Nationalisation, Insolvency or Delisting has occurred.

"**Successor Share/ETF Interest**" has the meaning given to it in Condition 10.4(a)(v).

10.5 *Extraordinary ETF Events*

This Condition 10.5 (*Extraordinary ETF Events*) is applicable only in relation to Single ETF Notes or ETF Basket Notes.

(a) Following the occurrence of any Extraordinary ETF Event, the Issuer will, in its reasonable discretion, determine whether the relevant Notes shall continue or shall be redeemed early. The Determination Agent shall not have any obligation to monitor the occurrence of an Extraordinary ETF Event nor shall it have any obligation to make a determination that an Extraordinary ETF Event has occurred and is continuing.

(b) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may:

(i) substitute any Affected ETF Interest with the Successor ETF Interest relating to such Affected ETF interest, provided that if no Successor ETF Interest has been identified in the manner set forth below within 10 Business Days of the Extraordinary ETF Event Notice Date (as defined below), then sub-paragraph (ii) below shall apply; and/or

(ii) make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the formula for the Final Redemption Amount and/or the Settlement Price set out in the applicable Pricing Supplement, the number of ETF Interests to which

each Note relates, the number of ETF Interests comprised in a Basket of ETF Interests, the amount, the number of or type of shares or other securities which may be delivered under such Notes and, in any case, any other variable relevant to the exercise, settlement, or payment terms of the relevant Notes and/or any other adjustment (including, without limitation, in relation to ETF Basket Notes, the cancellation of terms applicable in respect of ETF Interests affected by the relevant Extraordinary ETF Event) (including, without limitation, in relation to ETF Basket Notes, the removal from the Basket of ETF Interests of ETF Interests affected by the relevant Extraordinary ETF Event with effect from the day selected by the Determination Agent) to account for the economic effect on the Notes of such Extraordinary ETF Event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETF Interests or to the Notes), which may, but need not, be determined by reference to the adjustments(s) made in respect of such Extraordinary ETF Event by an options exchange or futures exchange to options or futures on the relevant ETF Interest traded on such options exchange or futures exchange, which adjustment shall be effective on such date as the Determination Agent shall determine.

The Fiscal Agent shall provide notice to the Noteholders of (a) any Successor ETF Interest identified in accordance with sub-paragraph (i) above, as soon as reasonably practicable after the date on which such Successor ETF Interest is identified, if applicable, and (b) any adjustment made in accordance with sub-paragraph (ii) above, in each case in accordance with Condition 35.10 (*Notices*), giving summary details of the adjustment, if applicable, provided that any failure to give such notice shall not affect the validity of any such adjustment.

(c) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to the Noteholders to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment of an amount in respect of each Note equal to the Early Redemption Amount as specified in the applicable Pricing Supplement.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Fiscal Agent of the Determination Agent's determination of the occurrence of an Extraordinary ETF Event (the date of such notice, the "**Extraordinary ETF Event Notice Date**").

(e) For the purposes hereof:

"**Extraordinary ETF Event**" shall mean, with respect to an ETF or ETF Service Provider (as the case may be), the occurrence of any of the following events, as determined by the Determination Agent, in its reasonable discretion:

(i) there exists any litigation against the ETF or an ETF Service Provider which in the reasonable discretion of the Determination Agent could materially affect the value of the ETF Interests or on the rights or remedies of any investor therein;

(ii) (A) an allegation of criminal or fraudulent activity is made in respect of the ETF, or any ETF Service Provider, or any employee of any such entity, or the Determination Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (B) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the ETF, any ETF Service Provider or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the reasonable discretion of the Determination Agent, materially affect the value of the ETF Interests or the rights or remedies of any investor in such ETF Interests;

(iii) (A) an ETF Service Provider ceases to act in such capacity in relation to the ETF (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a successor acceptable to the Determination Agent; and/or (B) any event occurs which causes, or will with the passage of time (in the opinion of the Determination Agent) cause, the failure of the ETF and/or any ETF Service Provider to meet or maintain any obligation or undertaking under the ETF Documents which failure is reasonably likely to have an adverse impact on the value of the ETF Interests or on the rights or remedies of any investor therein;

(iv) a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the ETF (howsoever described, including the underlying type of assets in which the ETF invests), from those set out in the ETF Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;

(v) a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (A) in which the ETF invests, (B) the ETF purports to track, or (C) the ETF accepts/provides for purposes of creation/redemption baskets;

(vi) a material modification occurs, or any announcement regarding a potential future material modification is made, in respect of the ETF (including but not limited to a material modification of the ETF Documents or to the ETF's liquidity terms) other than a modification or event which does not affect the ETF Interests or the ETF or any portfolio of assets to which the ETF Interest relates (either alone or in common with other ETF Interests issued by the ETF);

(vii) the ETF ceases to be an undertaking for collective investment under the legislation of its relevant jurisdiction, provided that on the relevant Issue Date, the ETF was such an undertaking and any such cessation would, in the reasonable discretion of the Determination Agent, have a material adverse effect on any investor in such ETF Interests;

(viii) (A) any relevant activities of or in relation to the ETF or any ETF Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the ETF by any governmental, legal or regulatory entity with authority over the ETF), (B) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the ETF or the ETF Service Provider or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (C) the ETF is required by a competent authority to redeem any ETF Interests, (D) any hedge provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any ETF Interests held in connection with any hedging arrangements relating to the Notes and/or (E) any change in the legal, tax, accounting or regulatory treatment of the ETF or any ETF Service Provider that is reasonably likely to have an adverse impact on the value of the ETF Interests or other activities or undertakings of the ETF or on the rights or remedies of any investor therein;

(ix) the value of any ETF Interest held by the Issuer and its Affiliates is greater than 10 per cent. of the aggregate net asset value of the relevant ETF (whether or not all of such holding results from hedging transactions entered into in connection with the Notes) and including, where the excess holding results from a reduction in the aggregate net asset value of the relevant ETF; or

(x) any event specified as an Additional Extraordinary ETF Event in respect of the Notes in the applicable Pricing Supplement occurs; and

"**Successor ETF Interest**" means, in respect of an Affected ETF Interest, (1) if specified in the applicable Pricing Supplement, any Eligible ETF Interest; (2) if no Eligible ETF Interest is specified, the successor ETF Interest as determined by the Determination Agent, using commercially reasonable efforts, taking into account any factors which the Determination Agent determines to be relevant, including (but not limited to) the existence of other ETFs that are linked to the same underlying index or asset as the Affected ETF Interest, liquidity of the proposed successor ETF Interest, the prevailing market conditions at the time the Determination Agent makes its determination and the Issuer's hedging arrangements in respect of the relevant Notes; or

(3) if the Determination Agent determines that it is unable to determine a suitable successor ETF Interest, the Determination Agent may determine that the relevant Notes, where the Affected ETF Interest will be linked to the relevant underlying index (the "**Related Underlying Index**") and such Related Underlying Index shall be the Successor ETF Interest and the provisions applicable to Single Index Notes or Index Basket Notes (as the case may be) will apply to the relevant Notes with such adjustments as the Determination Agent determines to be appropriate.

10.6 *Additional Disruption Events*

(a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Notes (which, if the Additional Disruption Event is a ChiNext Event, shall include only the Ineligible Notes) shall continue or be redeemed early.

(b) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the formula for the Final Redemption Amount and/or the Settlement Price set out in the applicable Pricing Supplement, the number of Shares or ETF Interests to which each Note relates, the number of Shares or ETF Interest comprised in a Basket, the amount, the number of or type of shares, fund interests or other securities or assets which may be delivered under such Notes and, in any case, any other variable relevant to the redemption, settlement, or payment terms of the relevant Notes and/or any other adjustment (including without limitation, in relation to Share Basket Notes, Index Basket Notes or ETF Basket Notes, the removal of any Shares, Index or ETF Interest, as the case may be, affected by the relevant Additional Disruption Event, and the adjustment of such terms of the Notes to account for the economic effect on the Notes of such Additional Disruption Event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes) as the Determination Agent considers to be appropriate as a result of such removal) which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

(c) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment of an amount in respect of each Note equal to the Early Redemption Amount as specified in the applicable Pricing Supplement.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Fiscal Agent and the Determination Agent of the occurrence of an Additional Disruption Event.

(e) For the purposes hereof:

"**Additional Disruption Event**" means with respect to any Series of Notes (i) each of Change in Law, Hedging Disruption, Increased Cost of Hedging and Loss of Stock Borrow (in each case, unless otherwise specified in the applicable Pricing Supplement), (ii) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, each of China Connect Service Termination and China Connect Share Disqualification (in each case, unless otherwise specified in the applicable Pricing Supplement), (iii) if "(China Connect – ChiNext Shares)" is specified next to the name of the Exchange in the applicable Pricing Supplement, each of China Connect Service Termination, China Connect Share Disqualification and ChiNext Event (in each case, unless otherwise specified in the applicable Pricing Supplement), and (iv) any further event or events as may be specified in the applicable Pricing Supplement as an Additional Disruption Event with respect to such Notes.

10.7 *Partial Lookthrough Depositary Receipt Provisions*

(a) Where the applicable Pricing Supplement specifies that the "Partial Lookthrough Depositary Receipt Provisions" shall apply to a Share, then the provisions set out in this Condition 10.7 (*Partial Lookthrough Depositary Receipt Provisions*) shall apply, and, in relation to such Share, the other provisions of this Condition 10.7 (*Partial Lookthrough Depositary Receipt Provisions*) shall be

deemed to be amended and modified as set out in this Condition 10.7 (*Partial Lookthrough Depositary Receipt Provisions*).

(b) The definition of "Potential Adjustment Event" shall be amended so that it reads as follows:

"**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Shares and/or Underlying Shares (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares and/or Underlying Shares to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of the relevant Shares and/or Underlying Shares specified in the applicable Pricing Supplement of (A) such Shares and/or Underlying Shares, (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of a Share Issuer or Underlying Share Issuer, as appropriate, equally or proportionately with such payments to holders of such Shares and/or Underlying Shares, (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Issuer or Underlying Share Issuer, as appropriate, as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Determination Agent;

(iii) an Extraordinary Dividend;

(iv) a call by a Share Issuer or Underlying Share Issuer, as appropriate, in respect of relevant Shares and/or Underlying Shares that are not fully paid;

(v) a repurchase by a Share Issuer or Underlying Share Issuer, as appropriate, or any of its subsidiaries of relevant Shares and/or Underlying Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of a Share Issuer or Underlying Share Issuer, as appropriate, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer or Underlying Share Issuer, as appropriate, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Determination Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;

(vii) any other event having, in the opinion of the Determination Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Shares and/or Underlying Shares; and

(viii) the making of any amendment or supplement to the terms of the Deposit Agreement,

provided that an event under (i) to (vii) (inclusive) above in respect of Underlying Shares shall not constitute a Potential Adjustment Event unless, in the opinion of the Determination Agent, such event has a diluting or concentrative effect on the theoretical value of the Shares.

(c) If the Determination Agent determines that:

(i) an event under (i) to (vii) (inclusive) of the definition of "Potential Adjustment Event" has occurred in respect of any Underlying Shares; or

(ii) an event under (viii) of the definition of "Potential Adjustment Event" has occurred, the Determination Agent will determine whether such Potential Adjustment Event has an economic effect on the Notes,

and, in each case, the Determination Agent will make the corresponding adjustment(s), if any, to one or more of any variable relevant to the exercise, settlement, payment or other terms of these Conditions and/or the applicable Pricing Supplement as the Determination Agent determines appropriate acting in good faith and a commercially reasonable manner, to account for (A) in respect of an event under (i) to (vii) (inclusive) of the definition of "Potential Adjustment Event", the diluting or concentrative effect on the theoretical value of the Shares, and (B) in respect of an event under (viii) of the definition of "Potential Adjustment Event", such economic effect on the Notes, as the case may be (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share), following the Potential Adjustment Event. The Determination Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement. The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

If the Determination Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Noteholders that the relevant consequence shall be the early redemption of the Notes, in which case, on such date as selected by the Determination Agent in its reasonable discretion, the Issuer shall redeem the Notes upon not less than five Business Days' prior notice to the Noteholders, and the Issuer will cause to be paid to each Noteholder in respect of each Note held by it an amount equal to the Early Redemption Amount as specified in the applicable Pricing Supplement.

(e) If the Determination Agent determines that a Merger Event or Tender Offer has occurred in respect of any Underlying Share, then, where the Determination Agent makes an adjustment to these Conditions and/or the applicable Pricing Supplement in connection with a Merger Event or Tender Offer, the Determination Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

(f) The definitions of "Nationalisation", "Insolvency" and "Delisting" shall be amended in accordance with the DR Amendment.

(g) Notwithstanding anything to the contrary in the definition of "Delisting", a Delisting shall not occur in respect of any Underlying Share if such Underlying Shares are immediately relisted, re-traded or re-quoted on an exchange or quotation system regardless of the location of such exchange or quotation system.

(h) If the Determination Agent determines that a Nationalisation or Insolvency has occurred in respect of a Share or the Depositary, then, notwithstanding anything to the contrary herein, the Determination Agent may determine that the affected Share be substituted with Replacement DRs and may make any appropriate adjustments to the terms of these Conditions and/or the applicable Pricing Supplement. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Shares herein shall be replaced by references to such Replacement DRs, and the Determination Agent will determine the effective date of any adjustments.

(i) If the Determination Agent determines that a Delisting of Shares has occurred or if the Depositary announces that the Deposit Agreement is (or will be) terminated, then, notwithstanding anything to the contrary herein, the Determination Agent may determine that the affected Share be substituted with Replacement DRs or the Underlying Shares and may make any appropriate adjustments to the terms of these Conditions and/or the applicable Pricing Supplement. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Shares herein shall be replaced by references to such Replacement DRs or the Underlying Shares, as applicable, and the Determination Agent will determine the effective date of any adjustments.

(j) The definition of "Insolvency Filing" shall be amended in accordance with the DR Amendment.

(k) The definition of "Change in Law" shall be amended in accordance with the DR Amendment.

For the avoidance of doubt, where a provision is amended pursuant to this Condition 10.7 (*Partial Lookthrough Depositary Receipt Provisions*) in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Share or the Underlying Share

Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

10.8 *Full Lookthrough Depositary Receipt Provisions*

(a) Where the applicable Pricing Supplement specifies that the "Full Lookthrough Depositary Receipt Provisions" shall apply to a Share, then the provisions set out in this Condition 10.8 (*Full Lookthrough Depositary Receipt Provisions*) shall apply, and, in relation to such Share, the other provisions of this Condition 10 (*Provisions relating to Equity and Proprietary Index-Linked Notes)* shall be deemed to be amended and modified as set out in this Condition 10.8 (*Full Lookthrough Depositary Receipt Provisions*).

(b) The definition of "Potential Adjustment Event" shall be amended so that it reads as follows:

"**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Shares and/or Underlying Shares (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares and/or Underlying Shares to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of the relevant Shares and/or Underlying Shares specified in the applicable Pricing Supplement of (A) such Shares and/or Underlying Shares, (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of a Share Issuer or Underlying Share Issuer, as appropriate, equally or proportionately with such payments to holders of such Shares and/or Underlying Shares, (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Issuer or Underlying Share Issuer, as appropriate, as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Determination Agent;

(iii) an Extraordinary Dividend;

(iv) a call by a Share Issuer or Underlying Share Issuer, as appropriate, in respect of relevant Shares and/or Underlying Shares that are not fully paid;

(v) a repurchase by a Share Issuer or Underlying Share Issuer, as appropriate, or any of its subsidiaries of relevant Shares and/or Underlying Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of a Share Issuer or Underlying Share Issuer, as appropriate, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer or Underlying Share Issuer, as appropriate, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Determination Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;

(vii) any other event having, in the opinion of the Determination Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Shares and/or Underlying Shares; and

(viii) the making of any amendment or supplement to the terms of the Deposit Agreement,

provided that an event under (i) to (vii) (inclusive) above in respect of Underlying Shares shall not constitute a Potential Adjustment Event unless, in the opinion of the Determination Agent, such event has a diluting or concentrative effect on the theoretical value of the Shares.

(c) If the Determination Agent determines that:

(i) an event under (i) to (vii) (inclusive) of the definition of "Potential Adjustment Event" has occurred in respect of any Underlying Shares; or

(ii) an event under (viii) of the definition of "Potential Adjustment Event" has occurred, the Determination Agent will determine whether such Potential Adjustment Event has an economic effect on the Notes,

and, in each case, the Determination Agent will make the corresponding adjustment(s), if any, to one or more of any variable relevant to the exercise, settlement, payment or other terms of these Conditions and/or the applicable Pricing Supplement as the Determination Agent determines appropriate acting in good faith and a commercially reasonable manner to account for (A) in respect of an event under (i) to (vii) (inclusive) of the definition of "Potential Adjustment Event", the diluting or concentrative effect on the theoretical value of the Shares, and (B) in respect of an event under (viii) of the definition of "Potential Adjustment Event", such economic effect on the Notes, as the case may be (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share), following the Potential Adjustment Event. The Determination Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement. The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

If the Determination Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Noteholders that the relevant consequence shall be the early redemption of the Notes, in which case, on such date as selected by the Determination Agent in its reasonable discretion, the Issuer shall redeem the Notes upon prior notice made to the Noteholders, and the Issuer will cause to be paid to each Noteholder in respect of each Note held by it an amount equal to the Early Redemption Amount.

(d) The definitions of "Merger Event" and "Tender Offer" shall be amended in accordance with the DR Amendment.

(e) If the Determination Agent determines that a Merger Event or Tender Offer has occurred in respect of an Underlying Share, then, where the Determination Agent makes an adjustment to these Conditions and/or the applicable Pricing Supplement in connection with a Merger Event or Tender Offer, the Determination Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

(f) The definitions of "Nationalisation", "Insolvency" and "Delisting" shall be amended in accordance with the DR Amendment.

(g) If the Determination Agent determines that a Nationalisation or Insolvency has occurred in respect of a Share or the Depositary, then, notwithstanding anything to the contrary herein, the Determination Agent may determine that the affected Share be substituted with Replacement DRs and may make any appropriate adjustments to the terms of these Conditions and/or the applicable Pricing Supplement. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Shares herein shall be replaced by references to such Replacement DRs, and the Determination Agent will determine the effective date of any adjustments.

(h) If the Determination Agent determines that a Delisting of Shares has occurred or if the Depositary announces that the Deposit Agreement is (or will be) terminated, then, notwithstanding anything to the contrary herein, the Determination Agent may determine that the affected Share be substituted with Replacement DRs or the Underlying Shares and may make any appropriate adjustments to the terms of these Conditions and/or the applicable Pricing Supplement. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Shares herein shall be replaced by references to such Replacement DRs or the Underlying Shares, as applicable, and the Determination Agent will determine the effective date of any adjustments.

(i) The definition of any Additional Disruption Event specified as applicable in the applicable Pricing Supplement shall be amended in accordance with the DR Amendment.

(j) The definitions of "Exchange Business Day", "Scheduled Closing Time", "Scheduled Trading Day", "Trading Disruption", "Exchange Disruption", "Early Closure" and "Disrupted Day" which relate to the Exchange shall be deemed to include a reference to the primary exchange on which the Underlying Shares are traded, as determined by the Determination Agent.

(k) The definitions of "Exchange Disruption", "Market Disruption Event" and "Trading Disruption" shall be amended in accordance with the DR Amendment.

For the avoidance of doubt, where a provision is amended pursuant to this Condition 10.8 (*Full Lookthrough Depositary Receipt Provisions*) in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Share or the Underlying Share Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

10.9 *Definitions applicable to Equity and Proprietary Index-Linked Notes*

In relation to Equity and Proprietary Index-Linked Notes, the following expressions have the meanings set out below:

"**Adjustment Payment**" means, in respect of any Note, the payment (if any) determined by the Determination Agent as is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value to or from the Issuer as a result of the replacement of the Index by the Alternative Pre-nominated Index. The Determination Agent may determine that the Adjustment Payment is zero;

"**Affected ETF Interest**" means, at any time, any ETF Interest in respect of which the Determination Agent has determined that an Extraordinary ETF Event has occurred;

"**Averaging Cut-Off Date**" means, in the case where Notes relate to an Index, Underlying Share or ETF Interest or a Basket of Indices, Basket of Shares or Basket of ETF Interests and in respect of a Scheduled Averaging Date for the purposes of Condition 10.1(c) (*Reference Dates, Averaging Dates and Market Disruption*):

(a) if "Common Scheduled Trading Days and Common Disrupted Days" in respect of a Basket of Indices, Basket of Shares or Basket of ETF Interests is specified to be applicable in the Pricing Supplement, the eighth Common Scheduled Trading Day following such Scheduled Averaging Date; or

(b) in any other case, the eighth Scheduled Trading Day following such Scheduled Averaging Date;

"**Averaging Date**" means, in respect of each Reference Date, either:

(a) in the case of (i) a Single Index Note, a Single Share Note or a Single ETF Note (as the case may be); or (ii) an Index Basket Note, a Share Basket Note or an ETF Basket Note (as the case may be) where the applicable Pricing Supplement provides that "Individual Scheduled Trading Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Pricing Supplement, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day for such (or the relevant) Index, Underlying Share or ETF Interest or Basket Component (as the case may be); or

(b) in the case of an Index Basket Note, a Share Basket Note or an ETF Basket Note, where the applicable Pricing Supplement provides that either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Pricing Supplement, or if any such date is not a Common Scheduled Trading Day, the next following Common Scheduled Trading Day for such Basket of Indices, Basket of Shares or Basket of ETF Interests (as the case may be),

provided that if any such day is a Disrupted Day, the Averaging Date shall be determined in accordance with the provisions of Condition 10.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Basket**" means in relation to any Share Basket Notes, the Shares specified in the applicable Pricing Supplement as comprising the Basket, in relation to Index Basket Notes, the Indices specified in the applicable Pricing Supplement as comprising the Basket and in relation to any ETF Basket Notes, the ETF Interests specified in the applicable Pricing Supplement as comprising the Basket, in each case in the relative proportions specified in such Pricing Supplement;

"**Basket Component**" means, in relation to a particular Series of Index Basket Notes, Share Basket Notes or ETF Basket Notes (as applicable), each Index, Share or ETF Interest (as applicable) comprised in the relevant Basket of Indices, Basket of Shares or Basket of ETF Interests (as applicable);

"**Basket of ETF Interests**" means, in relation to a particular Series, a basket comprising the ETF Interests specified in the applicable Pricing Supplement in the relative proportions or number of ETF Interests specified in such Pricing Supplement;

"**Basket of Indices**" means, in relation to a particular Series, a basket comprising the Indices specified in the applicable Pricing Supplement in the relative proportions specified in such Pricing Supplement;

"**Basket of Shares**" means, in relation to a particular Series, a basket comprising Shares of each Share Issuer specified in the applicable Pricing Supplement in the relative proportions or number of Shares of each Share Issuer specified in such Pricing Supplement;

"**Change in Law**" means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x), in the case of Single Share Notes, Single Index Notes, Single ETF Notes, Share Basket Notes, Index Basket Notes or ETF Basket Notes, it has become illegal to hold, acquire or dispose of any relevant Shares or ETF Interests or of any financial instrument or contract providing exposure to the Shares or ETF Interests or Index or Indices (as the case may be), or (y) it will incur a materially increased cost in performing its obligations with respect to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**China Connect**" means a securities trading and clearing links programme developed or to be developed by the SEHK, each relevant China Connect Market, HKSCC and CSDCC for the establishment of mutual market access between the SEHK and the relevant China Connect Market;

"**China Connect Business Day**" means any Scheduled Trading Day on which the China Connect Service is open for order-routing during its regular order-routing sessions, notwithstanding the China Connect Service closing prior to its Scheduled Closing Time;

"**China Connect Disruption**" means (a) any suspension of or limitation imposed on routing of orders (including in respect of buy orders only, sell orders only or both buy and sell orders) through the China Connect Service, relating to the Shares on the Exchange or (b) any event (other than a China Connect Early Closure) that disrupts or impairs (as determined by the Determination Agent) the ability of the market participants in general to enter orders in respect of Shares through the China Connect Service;

"**China Connect Early Closure**" means the closure on any China Connect Business Day of the China Connect Service prior to its Scheduled Closing Time unless such earlier closing time is announced by SEHK or the Exchange, as the case may be, at least one hour prior to the earlier of (a) the actual closing time for order-routing through the China Connect Service on such China Connect Business Day and (b) the submission deadline for orders to be entered into the China Connect Service system for execution on the Exchange at the Determination Time on such China Connect Business Day;

"**China Connect Market**" means the Shanghai Stock Exchange or the Shenzhen Stock Exchange, as the case may be;

"**China Connect Securities**" means any securities listed on a China Connect Market which may be eligible for trading by Hong Kong and overseas investors on China Connect;

"**China Connect Service**" means the securities trading and clearing links programme developed by the Exchange, SEHK, CSDCC and HKSCC, through which (i) SEHK and/or its affiliates provides order-routing and other related services for certain eligible securities traded on the Exchange and (ii) CSDCC and HKSCC provides clearing, settlement, depository and other services in relation to such securities;

"**China Connect Service Termination**" means, on or after the Trade Date, the announcement by one or more of the Exchange, SEHK, the CSDCC, HKSCC or any regulatory authority with competent jurisdiction of a suspension or termination of the China Connect Service or a part thereof for any reason which materially affects the routing of orders in respect of, or holding of, the Shares through the China Connect Service and the Determination Agent determines that there is a reasonable likelihood that such suspension or termination is not, or will not be, temporary;

"**China Connect Share Disqualification**" means, on or after the Trade Date, the Shares cease to be accepted as "China Connect Securities" (as defined in the rules of the exchange of SEHK) for the purpose of the China Connect Service as determined by the Determination Agent;

"**ChiNext Event**" means, on or after the Trade Date, the owner or the beneficial owner of the Notes is not or ceases to be an Eligible Investor (and such owner or beneficial owner, an "**Ineligible Noteholder**" and such Notes owned or beneficially owned by the Ineligible Noteholder, the "**Ineligible Notes**");

"**ChiNext Shares**" means securities listed and traded on the ChiNext Board of the Shenzhen Stock Exchange which may be traded by Hong Kong and overseas investors under the China Connect Service;

"**Common Scheduled Trading Day**" means, in respect of an Index Basket Note, a Share Basket Note or an ETF Basket Note (as the case may be), each day which is a Scheduled Trading Day for all the Basket Components;

"**Common Valid Date**" means, in respect of an Index Basket Note, a Share Basket Note or an ETF Basket Note (as the case may be), a Common Scheduled Trading Day that is not a Disrupted Day for any Basket Component and on which another Averaging Date does not or is deemed not to occur;

"**Components**" means in relation to an Index, the securities which comprise such Index (each a "**Component**" for such Index);

"**CSDCC**" means China Securities Depository and Clearing Corporation Limited;

"**Deposit Agreement**" means, in relation to the Shares, the agreements or other instruments constituting the Shares, as from time to time amended or supplemented in accordance with their terms;

"**Depositary**" means, where the applicable Pricing Supplement specifies that either the "Partial Lookthrough Depositary Receipt Provisions" or the "Full Lookthrough Depositary Receipt Provisions" shall apply to a Share, the issuer of the Shares or any successor issuer of the Shares from time to time;

"**Determination Date**" means, in relation to any determination, each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Determination Date shall be determined in accordance with the provisions of Condition 10.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Determination Time**" means the time specified as such in the applicable Pricing Supplement, or if no such time is specified, (a) save with respect to a Multi-Exchange Index or a Proprietary Index,

the Scheduled Closing Time on the relevant Exchange in relation to each Index, Share or ETF Interest to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Determination Time is after the actual closing time for its regular trading session, then the Determination Time shall be such actual closing time; (b) with respect to any Multi-Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component and (y) in respect of any option contracts or futures contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor and (c) with respect to a Proprietary Index, the time at which or in respect of which the Index Sponsor calculates and publishes the official level of the Index;

"**Disrupted Day**" means (a) except with respect to a Multi-Exchange Index or Proprietary Index, any Scheduled Trading Day on which (i) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session, or if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, the China Connect Service fails to open for order-routing during its regular order-routing session; or (ii) a Market Disruption Event has occurred, (b) with respect to any Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index (provided that the Determination Agent may, in its reasonable discretion, determine that such failure to publish shall instead be an Index Disruption for such Index); (ii) the Related Exchange fails to open for trading during its regular trading session or, if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, the China Connect Service fails to open for order-routing during its regular order-routing session, or (iii) a Market Disruption Event has occurred and (c) with respect to a Proprietary Index, any Scheduled Trading Day on which (i) a Market Disruption Event has occurred (provided that the Determination Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), or (ii) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, the China Connect Service fails to open for order-routing during its regular order-routing session;

"**DR Amendment**" means, in respect of the definitions of Merger Event, Tender Offer, Nationalisation, Insolvency, Delisting, Insolvency Filing, Change in Law, any other Additional Disruption Event specified as applicable in the applicable Pricing Supplement, Exchange Disruption, Market Disruption Event and Trading Disruption, that the following changes shall be made to such definition or provision where provided for in this Condition 10 (*Provisions relating to Equity and Proprietary Index-Linked Notes*):

(a) all references to "Shares" shall be deleted and replaced with the words "Shares and/or the Underlying Shares"; and

(b) all references to "Share Issuer" shall be deleted and replaced with the words "Share Issuer or Underlying Share Issuer, as appropriate";

"**Early Closure**" means (a) except with respect to a Multi-Exchange Index, the closure on any Exchange Business Day of the relevant Exchange (or in the case of a Single Index Note or Index Basket Note, any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Determination Time on such Exchange Business Day and (b) with respect to any Multi-Exchange Index, the closure on any Exchange Business Day of the Exchange in respect of any Component or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the relevant Determination Time on such Exchange Business Day;

"**Eligible ETF Interest**" means, in respect of any Affected ETF Interest or any Affected Share/ETF Interest, the interest specified as such in the applicable Pricing Supplement;

"**Eligible Investor**" means a "professional investor" within the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) or other types of investors that are permitted or approved by the Exchange, SEHK, CSDCC and/or HKSCC to trade ChiNext Shares through the China Connect Service;

"**Eligible Share**" means, in respect of any Affected Share/ETF Interest, the share specified as such in the applicable Pricing Supplement;

"**ETF**" means (in respect of an ETF Interest) any fund specified in the applicable Pricing Supplement as an ETF;

"**ETF Documents**" means, unless otherwise specified in the applicable Pricing Supplement, with respect to any ETF Interest, the offering document of the relevant ETF, the constitutive and governing documents, subscription agreements and any other agreement or document specifying the terms and conditions of such ETF Interest and any additional documents specified in the applicable Pricing Supplement, each as amended from time to time;

"**ETF Interest**" means the share or other interest or unit of holding (including, without limitation, any debt security) issued to or held by an investor in an ETF, as identified in the applicable Pricing Supplement;

"**ETF Service Provider**" means, in respect of any ETF, any person who is appointed to provide services, directly or indirectly, in respect of such ETF, whether or not specified in the ETF Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar, transfer agent, domiciliary agent, sponsor or general partner or any other person specified in the applicable Pricing Supplement;

"**Exchange**" means:

(a) (i) in respect of an Index relating to Single Index Notes or Index Basket Notes other than a Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement or, if none is specified, the principal exchange or quotation system for trading in such Index, as determined by the Determination Agent, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the shares underlying such Index has temporarily relocated, provided that the Determination Agent has determined that there is comparable liquidity relative to the shares underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange, and (ii) with respect to any Multi-Exchange Index, and in respect of each Component, the principal stock exchange on which such Component is principally traded, as determined by the Determination Agent;

(b) in respect of a Share relating to Single Share Notes or Share Basket Notes, each exchange or quotation system specified as such for such Share in the applicable Pricing Supplement or, if none is specified, the principal exchange or quotation system for trading in such Share, as determined by the Determination Agent, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated, provided that the Determination Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange; and

(c) in respect of an ETF Interest relating to Single ETF Notes or ETF Basket Notes, each exchange or quotation system specified as such for such ETF Interest in the applicable Pricing Supplement or, if none is specified, the principal exchange or quotation system for trading in such ETF Interest, as determined by the Determination Agent, any successor to such Exchange or quotation system or any substitute exchange or quotation system to

which trading in the ETF Interest has temporarily relocated, provided that the Determination Agent has determined that there is comparable liquidity relative to such ETF Interest on such temporary substitute exchange or quotation system as on the original Exchange;

"**Exchange Business Day**" means (a) except with respect to a Multi-Exchange Index, any Scheduled Trading Day (i) on which each Exchange and Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (ii) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, which is a China Connect Business Day, and (b) with respect to any Multi-Exchange Index, any Scheduled Trading Day (i) on which the Index Sponsor publishes the level of the Index and (ii) on which the Related Exchange is open for trading during its regular trading session, notwithstanding any Exchange or the Related Exchange closing prior to its Scheduled Closing Time, and (iii) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, which is a China Connect Business Day;

"**Exchange Disruption**" means (a) except with respect to a Multi-Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares or ETF Interests on the Exchange (or in the case of Single Index Notes or Index Basket Notes, on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index), or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Shares, the relevant Index or the ETF Interests (as the case may be) on any relevant Related Exchange and (b) with respect to any Multi-Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (i) any Component on the Exchange in respect of such Component, or (ii) futures or options contracts relating to the Index on the Related Exchange;

"**Extraordinary Dividend**" means the dividend per Share or ETF Interest, or portion thereof, to be characterised as an Extraordinary Dividend as determined by the Determination Agent;

"**Extraordinary ETF Event**" has the meaning given in Condition 10.5(e) (*Extraordinary ETF Events*);

"**Extraordinary Event**" means a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting;

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Notes, or (B) realise, recover or remit the proceeds of any such transactions or asset(s);

"**HKSCC**" means the Hong Kong Securities Clearing Company Limited;

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

"**Index**" means any index specified as such in the applicable Pricing Supplement, subject to Condition 10.2 (*Adjustments to Indices and Additional Disruption Events*);

"**Index Adjustment Event**" means, in respect of an Index, an Administrator/Benchmark Event, an Index Cancellation, an Index Disruption or an Index Modification;

"**Index Sponsor**" means, in respect of an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and methods of calculation and adjustments, if any, related to the relevant Index (the "**Index Rules**" in respect of such Index) and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Scheduled Trading Day;

"**Loss of Stock Borrow**" means that the Issuer is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) the Shares or ETF Interests or of any financial instrument or contract providing exposure to the Shares or ETF Interests or Index or Indices with respect to the Notes in an amount which the Issuer deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes (not to exceed the number of the Shares, ETF Interests or financial instruments or contracts underlying the Notes) at a rate determined by the Issuer;

"**Market Disruption Event**" means:

(a) in respect of (1) a Share, (2) an Index other than a Multi-Exchange Index or Proprietary Index or (3) an ETF Interest, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, (iii) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, a China Connect Disruption, which in each case the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Determination Time, (iv) an Early Closure or (v) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, a China Connect Early Closure. For the purpose of determining whether a Market Disruption Event exists in respect of an Index at any time, if a Market Disruption Event occurs in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the Market Disruption Event occurred;

(b) with respect to any Multi-Exchange Index either (i)(A) the occurrence or existence, in respect of any Component, of (1) a Trading Disruption, (2) an Exchange Disruption, (3) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, a China Connect Disruption, which in each case the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Determination Time in respect of the Exchange on which such Component is principally traded, or (4) an Early Closure or (5) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, a China Connect Early Closure; AND (B) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption, a China Connect Disruption (if applicable), an Early Closure or a China Connect Early Closure (if applicable) occurs or exists comprises 20 per cent. or more of the level of the Index; OR (ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption, (B) an Exchange Disruption, (C) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, a China Connect Disruption, which in each case the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Determination Time in respect of the Related Exchange; (D) an Early Closure or (E) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, a China Connect Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component at any time, if a Market Disruption Event occurs in respect of such Component at that time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

(c) with respect to a Proprietary Index, either (i) the failure by the Index Sponsor to calculate and publish the level of the Index for any Scheduled Trading Day or in respect of such Scheduled Trading Day within the scheduled or usual timeframe for publication or (ii) the

occurrence of any other event specified as a Proprietary Index Additional Market Disruption Event in the applicable Pricing Supplement;

"**Multi-Exchange Index**" means any Index specified as such in the applicable Pricing Supplement;

"**Observation Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Observation Date shall be determined in accordance with the provisions of Condition 10.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Observation Period**" has the meaning given in the applicable Pricing Supplement;

"**Potential Adjustment Event**" means, in respect of Single Share Notes, Single ETF Note, Share Basket Notes or ETF Basket Notes:

(a) a subdivision, consolidation or reclassification of a Share or ETF Interest (unless resulting in a Merger Event), or a free distribution or dividend of Shares or ETF Interests to existing holders by way of bonus, capitalisation or similar issue;

(b) a distribution, issue or dividend to existing holders of relevant Shares or ETF Interests of (A) such Shares or ETF Interests, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer or ETF equally or proportionately with such payments to holders of such a Share or ETF Interest, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Issuer or ETF as a result of a spin off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Determination Agent;

(c) an Extraordinary Dividend;

(d) a call by the Share Issuer in respect of relevant Shares that are not fully paid;

(e) a repurchase by a Share Issuer or ETF (as the case may be) or any of its subsidiaries of Shares or ETF Interests, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(f) in respect of a Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides, upon the occurrence of certain events, for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Determination Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(g) any other event having, in the opinion of the Determination Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Shares or ETF Interests.

"**Proprietary Index**" means any Index specified as such in the applicable Pricing Supplement;

"**Proprietary Index Components**" means, in relation to a Proprietary Index, the shares, securities, commodities, rates, indices, futures contracts, options contracts, foreign exchange rates or other components which comprise such Index (each a "**Proprietary Index Component**" for such Proprietary Index)

"**Reference Cut-Off Date**" means, in the case where Notes relate to an Index, Share or ETF Interest or a Basket of Indices, Basket of Shares or Basket of ETF Interests and in respect of a Scheduled Reference Date for the purposes of Condition 10.1(b) (*Reference Dates, Averaging Dates and Market Disruption*):

(a) if "Common Scheduled Trading Days and Common Disrupted Days" in respect of a Basket of Indices, Basket of Shares or Basket of ETF Interests is specified to be applicable in the Pricing Supplement, the eighth Common Scheduled Trading Day following such Scheduled Reference Date; or

(b) in any other case, the eighth Scheduled Trading Day, or, in respect of a Basket of Indices, Basket of Shares or Basket of ETF Interests, the eighth Scheduled Trading Day for the Affected Basket Component, following such Scheduled Reference Date;

"**Reference Date**" means, for the purposes of Condition 10.1 (*Reference Dates, Averaging Dates and Market Disruption*), each Valuation Date, Observation Date, Strike Date or Determination Date (as applicable) specified in the applicable Pricing Supplement, or otherwise, any date construed to be a Reference Date in accordance with the Conditions;

"**Related Exchange**", in respect of an Index relating to Single Index Notes or Index Basket Notes, a Share relating to Single Share Notes or Share Basket Notes or an ETF Interest relating to Single ETF Notes or ETF Basket Notes, means the exchange specified as the Related Exchange in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures and options contracts relating to such Index, Share or ETF Interest has temporarily relocated (provided that the Determination Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index, Share or ETF Interests on such temporary substitute exchange or quotation system as on the original Related Exchange) or, if none or if "All Exchanges" is specified in the applicable Pricing Supplement, each exchange or quotation system where trading has a material effect (as determined by the Determination Agent) on the overall market for futures or options contracts relating to such Index, Share or ETF Interests, as the case may be;

"**Relevant Equity Index Benchmark**" means the Index;

"**Relevant Price**" on any day means:

(a) in respect of a Share to which a Single Share Note or a Share Basket Note relates, the price per Share determined by the Determination Agent in the manner provided in the applicable Pricing Supplement as of the Determination Time on the relevant day, or, if no means for determining the Relevant Price are so provided: (i) in respect of any Share for which the Exchange is an auction or "open outcry" exchange that has a price as of the Determination Time at which any trade can be submitted for execution, the Relevant Price shall be the price per Share as of the Determination Time on the relevant day, as reported in the official real time price dissemination mechanism for such Exchange; and (ii) in respect of any Share for which the Exchange is a dealer exchange or dealer quotation system, the Relevant Price shall be the mid-point of the highest bid and lowest ask prices quoted as of the Determination Time on the relevant day (or the last such prices quoted immediately before the Determination Time) without regard to quotations that "lock" or "cross" the dealer exchange or dealer quotation system;

(b) in respect of an Index to which a Single Index Note or an Index Basket Note relates, the level of such Index determined by the Determination Agent as provided in the applicable Pricing Supplement as of the Determination Time on the relevant day or, if no method for determining the Relevant Price is so provided, the level of the Index as of the Determination Time on the relevant day; and

(c) in respect of an ETF Interest to which a Single ETF Note or an ETF Basket Note relates, the price per ETF Interest determined by the Determination Agent in the manner provided in the applicable Pricing Supplement as of the Determination Time on the relevant day, or, if no means for determining the Relevant Price are so provided: (a) in respect of any ETF Interest for which the Exchange is an auction or "open outcry" exchange that has a price as of the Determination Time at which any trade can be submitted for execution, the Relevant Price shall be the price per ETF Interest as of the Determination Time on the relevant day, as reported in the official real time price dissemination mechanism for such Exchange; and (b) in respect of any ETF Interest for which the Exchange is a dealer exchange or dealer quotation system, the Relevant Price shall be the mid-point of the highest bid and lowest ask prices quoted as of the Determination Time on the relevant day

(or the last such prices quoted immediately before the Determination Time) without regard to quotations that "lock" or "cross" the dealer exchange or dealer quotation system;

"**Replacement DRs**" means depositary receipts other than the Shares over the same Underlying Shares;

"**Scheduled Averaging Date**" means an original date (following any adjustment (if applicable) pursuant to paragraph (a) or (b) in the definition of "Averaging Date") that, but for such day being a Disrupted Day, would have been an Averaging Date;

"**Scheduled Closing Time**" means, in respect of an Exchange, Related Exchange or, if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, the China Connect Service, and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange, Related Exchange or the China Connect Service (as the case may be) on such Scheduled Trading Day, without regard (in the case of any Exchange or Related Exchange) to after hours or any other trading outside of regular trading session hours or (in the case of the China Connect Service) to any after hours or any other order-routing outside of the regular order-routing session hours;

"**Scheduled Reference Date**" means, for the purposes of Condition 10.1(b) (*Reference Dates, Averaging Dates and Market Disruption*), any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Reference Date;

"**Scheduled Trading Day**" means (a) except with respect to a Multi-Exchange Index or a Proprietary Index, any day on which (i) each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading session and (ii) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, the China Connect Service is scheduled to be open for order-routing for its regular order-routing sessions, (b) with respect to any Multi-Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session and (iii) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, the China Connect Service is scheduled to be open for order-routing for its regular order-routing sessions, and (c) with respect to a Proprietary Index, any day on which (i) the Index Sponsor is scheduled to publish the level of such Index and (ii) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, the China Connect Service is scheduled to be open for order-routing for its regular order-routing sessions;

"**SEHK**" means The Stock Exchange of Hong Kong Limited;

"**Settlement Cycle**" means, in respect of a Share, Index or ETF Interest, the period of Settlement Cycle Days following a trade in such Share, the securities underlying such Index or ETF Interest, as the case may be, on the Exchange in which settlement will customarily occur according to the rules of such exchange (or, in respect of any Multi-Exchange Index, the longest such period) and for this purpose "**Settlement Cycle Day**" means, in relation to a clearing system any day on which such clearing system is (or but for the occurrence of a Settlement Disruption Event would have been) open for acceptance and executions of settlement instructions;

"**Settlement Price**" means, in respect of a Single Share Note, a Share Basket Note, an Index Note, an Index Basket Note, a Single ETF Note or an ETF Basket Note, the price, level or amount as determined by the Determination Agent, in its reasonable discretion, in accordance with the applicable Pricing Supplement;

"**Share**" means, in relation to a particular Series of Notes, a share specified as such in the applicable Pricing Supplement, or, in the case of a Share Basket Note, a share forming part of a basket of shares to which such Note relates;

"**Share Issuer**" means the entity that is the issuer of the Share specified in the applicable Pricing Supplement;

"**Strike Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant

Strike Date shall be determined in accordance with the provisions of Condition 10.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Trading Disruption**" means (a) except with respect to a Multi-Exchange Index, any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange, Related Exchange or otherwise (i) relating to the Share or ETF Interest on the Exchange, or, in the case of a Single Index Note or Index Basket Note, on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or (ii) in futures or options contracts relating to the Share, the relevant Index or Indices or the ETF Interest on any relevant Related Exchange, and (b) with respect to any Multi-Exchange Index, any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (i) relating to any Component on the Exchange in respect of such Component; or (ii) in futures or options contracts relating to the Index on the Related Exchange;

"**Underlying Share Issuer**" means the entity that is the issuer of the Underlying Share specified in the applicable Pricing Supplement; and

"**Underlying Share**" means, the share or other security which is the subject of the Deposit Agreement.

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the Reference Date does not, or is not deemed to, occur; and

"**Valuation Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Valuation Date shall be determined in accordance with the provisions of Condition 10.1 (*Reference Dates, Averaging Dates and Market Disruption*).

11. Provisions relating to Commodity-Linked Notes

This Condition 11 (*Provisions relating to Commodity-Linked Notes*) is applicable in respect of any Series of Notes ("**Commodity-Linked Notes**") where "**Commodity-Linked Interest Note Provisions**" and/or "**Commodity-Linked Redemption Provisions**" are specified in the applicable Pricing Supplement as being applicable.

11.1 *Corrections to Published Prices*

For the purposes of determining the Relevant Price for any Pricing Date, if applicable, as specified in the applicable Pricing Supplement for the purposes of calculating the Interest Amount or Final Redemption Amount or any other amount in respect of a Commodity-Linked Note, if the price published or announced on a given day and used or to be used by the Determination Agent to determine such Relevant Price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement by such time as may be specified in the applicable Pricing Supplement (or, if none is so specified, within thirty calendar days after the original publication or announcement) and in any event prior to the Maturity Date or the Interest Payment Date for the relevant Notes the Determination Agent shall, acting in good faith and a commercially reasonable manner determine (in its reasonable discretion) the adjustment to the Relevant Price so calculated and will adjust the terms of the relevant Notes to account for such correction to the extent that it determines to be necessary and practicable. The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

11.2 *Commodity Disruption Events*

(a) If so specified in the Pricing Supplement relating to any Series of Commodity-Linked Notes, the following shall constitute "**Commodity Disruption Events**" for the purposes of such Series:

(i) "**Price Source Disruption**", which means (A) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, (B) the temporary or permanent discontinuance or unavailability of the Price Source, (C) if the Commodity Reference Price is "Commodity Reference Dealers" the failure to obtain at least three quotations from the relevant Reference Dealers or (D) if Price Materiality Percentage is specified in the applicable Pricing Supplement, the Specified Price for the relevant Commodity Reference Price differs from the Specified Price determined in accordance with the Commodity Reference Price "Commodity Reference Dealers" by such Price Materiality Percentage;

(ii) "**Trading Disruption**", which means the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the applicable Pricing Supplement. The determination of whether a suspension of or limitation on trading is material shall be made by the Determination Agent in its reasonable discretion;

(iii) "**Disappearance of Commodity Reference Price**", which means (A) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange, (B) the disappearance of, or of trading in, the relevant Commodity, or (C) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the relevant Commodity;

(iv) "**Material Change in Content**", which means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract;

(v) "**Material Change in Formula**", which means the occurrence since the Trade Date of a material change in the formula for or method of calculating the relevant Commodity Reference Price;

(vi) "**Tax Disruption**", which means the imposition of, change in or removal of an excise, severance, sales, use, value added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal; and

(vii) any other (if any) Commodity Disruption Event specified in the applicable Pricing Supplement.

(b) If the applicable Pricing Supplement for a Series of Commodity-Linked Notes specifies that any Commodity Disruption Event shall be applicable to such Series, then, where the Determination Agent determines, acting in a commercially reasonable manner, that such Commodity Disruption Event has occurred and is continuing in respect of such Series on the Pricing Date in respect of such Series (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source), or on any other day as may be specified for this purpose in the applicable Pricing Supplement, then the Relevant Price will be determined in accordance with the terms of the Commodity Disruption Fallback applicable pursuant to Condition 11.3 (*Commodity Disruption Fallbacks*).

11.3 *Commodity Disruption Fallbacks*

Where one or more Commodity Disruption Event occurs or exists, then, unless the applicable Pricing Supplement specifies that any other Commodity Disruption Fallback shall apply in respect of any such Commodity Disruption Event, "Determination Agent Determination" shall apply.

"**Determination Agent Determination**" means that the Determination Agent will determine, in its reasonable discretion, the Relevant Price (or a method for determining the Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that it deems relevant.

11.4 *Administrator/Benchmark Events*

If the Benchmark Trigger Provisions are specified in the applicable Pricing Supplement as being applicable and an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occurs in respect of any Relevant Commodity Benchmark (other than a Commodity Index):

(a) the Commodity Disruption Fallbacks specified in the applicable Pricing Supplement to apply with respect to an Administrator/Benchmark Event will apply, or if none is so specified, Determination Agent Determination (as such term is defined in Condition 11.3 (*Commodity Disruption Fallbacks*)) shall be deemed to apply;

(b) if it (i) is or would be unlawful at any time under any applicable law or regulation or (ii) would contravene any applicable licensing requirements, in each case for the Issuer, the Determination Agent or the Calculation Agent to perform the actions prescribed in an applicable Commodity Disruption Fallback (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time), the next applicable Commodity Disruption Fallback will apply;

(c) if the Determination Agent determines that the last applicable Commodity Disruption Fallback does not provide the Relevant Underlying Value (including due to the applicability of paragraph (b) above in relation to the last applicable Commodity Disruption Fallback), then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to the Early Redemption Amount; and

(d) the Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer, the Fiscal Agent and the Noteholders of the occurrence of an Administrator/Benchmark Event and an Administrator/Benchmark Event Date and of any action taken as a consequence, provided that any failure to give such notice shall not affect the validity of the foregoing.

11.5 *Common Pricing*

With respect to Notes relating to a Basket, if "Common Pricing" has been selected in the applicable Pricing Supplement as:

(a) "Applicable", then no date will be a Pricing Date unless such date is a day on which all referenced Commodity Reference Prices (for which such date would otherwise be a Pricing Date) are scheduled to be published or announced, as determined as of the time of issue of the Notes.

(b) "Not Applicable", then if the Determination Agent determines that a Commodity Disruption Event has occurred or exists on the Pricing Date in respect of any Commodity in the Basket (the "**Affected Commodity**"), the Relevant Price of each Commodity within the basket which is not affected by the occurrence of a Commodity Disruption Event shall be determined on its scheduled Pricing Date and the Relevant Price for the Affected Commodity shall be determined in accordance with the first applicable Commodity Disruption Fallback that provides a Commodity Reference Price.

11.6 *Commodity Index Disruption Events*

(a) The following shall constitute "**Commodity Index Disruption Events**" for the purposes of any Series of Notes with respect to a Commodity Index:

(i) a temporary or permanent failure by the applicable exchange or other price source to announce or publish the final settlement price for the relevant Commodity Index; or

(ii) the occurrence in respect of any Component of the relevant Commodity Index of a Commodity Disruption Event (as defined in Condition 11.2(a) (*Commodity Disruption Events*).

(b) Where the Determination Agent determines, acting in a commercially reasonable manner, that a Commodity Index Disruption Event has occurred and is continuing in respect of a Series on the Pricing Date in respect of such Series (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source), or on any other day as may be specified for this purpose in the applicable Pricing Supplement, then (unless Condition 11.6(c) (*Physical Hedging Fallback*) applies) the following provisions shall apply the ("**Commodity Index Disruption Fallback**"):

(i) with respect to each Component which is not affected by the Commodity Index Disruption Event, the Relevant Price will be determined by the Determination Agent based on the closing prices of each such Component on the applicable Pricing Date;

(ii) with respect to each Component which is affected by the Commodity Index Disruption Event, the Relevant Price will be determined by the Determination Agent (in the case of any Dow Jones UBS Commodity Index) as set out in the DJ UBSCI Manual or (in the case of any S&P Commodity Index) as set out in the Index Methodology, and in respect of any other Commodity Index as set out in the applicable Pricing Supplement, in each case based on the closing prices of each such Component on the first day following the applicable Pricing Date on which no Commodity Index Disruption Event occurs with respect to such Component;

(iii) subject to (iv) below, the Determination Agent shall determine the Relevant Price by reference to the closing prices determined in (i) and (ii) above using the then current method for calculating the relevant Commodity Index; and

(iv) where a Commodity Index Disruption Event with respect to one or more Components continues to exist (measured from and including the first day following the applicable determination date) for five consecutive Trading Days, the Determination Agent shall determine the Relevant Price acting in good faith and in a commercially reasonable manner. In calculating the Relevant Price as set out in this paragraph (iv), the Determination Agent shall use the formula for calculating the relevant Commodity Index last in effect prior to the Commodity Index Disruption Event. For the purposes of this paragraph (iv), "**Trading Day**" shall mean a day when the exchanges for all Components included in the relevant Commodity Index are scheduled to be open for trading.

(c) *Physical Hedging Fallback*. Where the Determination Agent determines that a Commodity Index Disruption Event has occurred and is continuing in respect of a Series on the Pricing Date in respect of such Series and "**Physical Hedging Fallback**" is specified as applicable in the applicable Pricing Supplement, then the following provisions shall apply;

(i) with respect to each Component included in the Commodity Index which is not affected by the Commodity Index Disruption Event, the Relevant Price will be based on the closing prices of each such Component on the applicable determination date;

(ii) with respect to each Component included in the Commodity Index which is affected by the Commodity Index Disruption Event, the Relevant Price will be based on the closing price of each such Component on the first day following the applicable determination date on which no Commodity Index Disruption Event occurs with respect to such Component;

(iii) subject to (iv) below, the Determination Agent shall determine the Relevant Price by reference to the closing prices determined in (a) and (b) above using the then current method for calculating the Relevant Price; and

(iv) where a Commodity Index Disruption Event with respect to one or more Components included in the Commodity Index continues to exist (measured from and including the first day following the applicable determination date) for five consecutive Trading Days, the Determination Agent shall determine the Relevant Price in good faith and in a

commercially reasonable manner. For the purposes of this paragraph (iv), "**Trading Day**" shall mean a day when the exchanges for all Components included in the relevant Commodity Index are scheduled to be open for trading with respect to each Component included in the Commodity Index which is not affected by the Commodity Index Disruption Event, the Relevant Price will be based on the closing prices of each such Component on the applicable determination date.

(d) If it (a) is or would be unlawful at any time under any applicable law or regulation or (b) would contravene any applicable licensing requirements, for the Determination Agent to perform the actions prescribed in either Condition 11.6(b) (*Commodity Index Disruption Events*) or (c) (*Physical Hedging Fallback*) (as applicable) then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to the Early Redemption Amount.

(e) The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer, the Fiscal Agent and the Noteholders of the occurrence of a Commodity Index Disruption Event and of any action taken as a consequence, provided that any failure to give such notice shall not affect the validity of the foregoing.

11.7 *Adjustments to Commodity Index*

(a) If a Commodity Index with respect to a Commodity Reference Price is permanently cancelled or is not calculated and announced by the sponsor of such Commodity Index or any of its affiliates (together the "**Sponsor**") but (i) is calculated and announced by a successor sponsor (the "**Successor Sponsor**") acceptable to the Determination Agent, or (ii) replaced by a Successor Index (the "**Successor Index**") using, in the determination of the Determination Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of such Commodity Index, then the Commodity Reference Price will be determined by reference to the Index so calculated and announced by that Successor Sponsor or that Successor Index, as the case may be.

(b) *Commodity Index Cancellation or Administrator/Benchmark Event Date*: If, for a Commodity Index with respect to a Commodity Reference Price, on or prior to the Maturity Date or any early redemption date of the Commodity-Linked Notes, either (i) the Sponsor permanently cancels the Commodity Index and no Successor Index exists (a "**Commodity Index Cancellation**") or (ii) the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occurs in respect of such Commodity Index, then:

(i) If the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and if an Alternative Pre-nominated Index has been specified in relation to such Commodity Index in the applicable Pricing Supplement, then:

(A) the Determination Agent shall attempt to determine an Adjustment Payment;

(B) if the Determination Agent determines an Adjustment Payment,

(aa) it shall notify the Issuer of the Adjustment Payment and if the Adjustment Payment is an amount that the Noteholder would (but for Condition 11.7(b)(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Note, request the Issuer to notify the Determination Agent whether it intends to redeem the Notes pursuant to Condition 11.7(d) (*Redemption for Commodity Index Adjustment Event*). If the Issuer does not intend to redeem the Notes pursuant to Condition 11.7(d) (*Redemption for Commodity Index Adjustment Event*) then the following provisions of this Condition 11.7(b)(i) (*Commodity Index Cancellation or Administrator/Benchmark Event Date*) shall apply;

(bb) the terms of the Notes shall be amended so that references to the Commodity Index are replaced by references to the Alternative Pre-nominated Index;

(cc) the Conditions shall be adjusted to implement the Adjustment Payment as follows:

(a) if the Adjustment Payment is an amount that the Issuer is required to pay in respect of each Note, the Determination Agent shall adjust the Conditions to provide for the payment of the Adjustment Payment on the immediately succeeding Interest Payment Date or if there is no such immediately succeeding Interest Payment Date, on the Maturity Date or other date when the Notes are redeemed in full; or

(b) if the Adjustment Payment is an amount that the Noteholder would (but for this Condition 11.7(b)(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Note, the Determination Agent shall adjust the Conditions to provide for the reduction of the amounts due by the Issuer until the aggregate amount of such reductions is equal to the Adjustment Payment, (subject, in the determination of the Determination Agent, to any minimum redemption amount of the Notes which the Determination Agent determines is required pursuant to any applicable law or regulation (including, without limitation, any tax law) and the rules of each listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation);

(dd) the Determination Agent shall make such other adjustments to the Conditions as it determines necessary or appropriate in order to account for the effect of the replacement of the Commodity Index with the Alternative Pre-nominated Index and/or to preserve as nearly as practicable the economic equivalence of the Notes before and after the replacement of the Commodity Index with the Alternative Pre-nominated Index; and

(ee) the Determination Agent shall notify the Issuer, the Fiscal Agent and the Noteholders of any replacement of the Commodity Index by the Alternative Pre-nominated Index, the Adjustment Payment and any other adjustments to the Conditions, giving summary details of the adjustment(s), provided that any failure to give such notice shall not affect the validity of the foregoing.

(C) If the Determination Agent is unable to determine an Adjustment Payment, then Condition 11.7(d) (*Redemption for Commodity Index Adjustment Event*) shall apply.

(ii) If the applicable Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable or, if the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Index in relation to the Relevant Commodity Benchmark, then Condition 11.7(d) (*Redemption for Commodity Index Adjustment Event*) shall apply.

(c) *Commodity Index Modification and Commodity Index Disruption*: If, for a Commodity Index with respect to a Commodity Reference Price, on or prior to the Maturity Date or any early redemption date, (i) the Sponsor makes a material change in the formula for or the method of calculating such Commodity Index or in any other way materially modifies such Commodity Index (other than a modification prescribed in that formula or method to maintain the Commodity Index in the event of changes in constituent commodities and weightings and other routine events) (a "**Commodity Index Modification**") or, (ii) the Sponsor fails to calculate and announce the Commodity Index for a continuous period of three Trading Days and the Determination Agent determines that there is no Successor Sponsor or Successor Index (a "**Commodity Index Disruption**"), then the Determination Agent may at its option (in the case of (i)) and shall (in the case of (ii)) calculate the Relevant Price using in lieu of the published level for that Commodity Index (if any), the level for that Commodity Index as at the relevant determination date as determined by the Determination Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Commodity Index Adjustment Event, but using only those Components that comprised that Commodity Index immediately prior to the relevant Commodity Index

Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

(d) *Redemption for Commodity Index Adjustment Event*: If:

(i) a Commodity Index Cancellation occurs and the Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable;

(ii) a Commodity Index Cancellation or an Administrator/Benchmark Event Date occurs in respect of a Commodity Index, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Index;

(iii) a Commodity Index Cancellation or an Administrator/Benchmark Event Date occurs in respect of a Commodity Index, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Index but the Determination Agent is unable to determine the Adjustment Payment;

(iv) a Commodity Index Cancellation or an Administrator/Benchmark Event Date occurs in respect of a Commodity Index, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Index and the Determination Agent determines that the Adjustment Payment would be an amount that the Noteholder would (but for Condition 11.7(b)(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Note; or

(v) a Commodity Index Modification or a Commodity Index Disruption occurs and it (a) would be unlawful at any time under any applicable law or regulation or (b) would contravene any applicable licensing requirements, in each case for the Determination Agent to calculate the Relevant Price in accordance with Condition 11.7(c) (*Commodity Index Modification and Commodity Index Disruption*),

then the Issuer may, at any time thereafter and in its reasonable discretion, determine that the Notes shall be redeemed as of any later date. If the Issuer so determines that the Notes shall be redeemed, then the Issuer shall give not less than five Business Days' notice to the Noteholders to redeem the Notes and upon redemption the Issuer will pay an amount in respect of each Note equal to the Early Redemption Amount.

The Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the redemption, settlement or payment terms of the relevant Notes and/or any other adjustment, which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Fiscal Agent shall provide notice to the Noteholders of any such change or adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

(e) *Notification of Commodity Index Adjustment Event*: The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer, the Fiscal Agent and the Noteholders of the occurrence of a Commodity Index Adjustment Event and of any action taken as a consequence, provided that any failure to give such notice shall not affect the validity of the foregoing.

11.8 *Additional Disruption Events*

Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Notes shall continue or be redeemed early.

(a) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the redemption, settlement, or payment terms of the relevant Notes

and/or any other adjustment which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Fiscal Agent shall provide notice to the Noteholders of any such change or adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

(b) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment of an amount in respect of each Note equal to the Early Redemption Amount.

(c) For the purposes hereof:

"**Additional Disruption Event**" means, with respect to any Series of Notes, a Change in Law, Hedging Disruption, Increased Cost of Hedging, and any further event or events as may be specified in the applicable Pricing Supplement.

11.9 *Definitions applicable to Commodity-Linked Notes*

In relation to Commodity-Linked Notes, the following expressions have the meanings set out below:

"**Adjustment Payment**" means, in respect of any Note, the payment (if any) determined by the Determination Agent as is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value to or from the Issuer as a result of the replacement of the Commodity Index by the Alternative Pre-nominated Index;

"**Basket**" means a basket composed of each Commodity specified in the applicable Pricing Supplement;

"**Change in Law**" means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it has become illegal to hold, acquire or dispose of Hedge Positions or (y) it will incur a materially increased cost in performing its obligations with respect to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Commodity**" means each commodity specified as such in the applicable Pricing Supplement;

"**Commodity Business Day**" means:

(a) in the case where the Commodity Reference Price is a price announced or published by an Exchange, a day that is (or, but for the occurrence of a Commodity Disruption Event, would have been) a day on that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time; and

(b) in the case where the Commodity Reference Price is not a price announced or published by an Exchange, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Commodity Disruption Event, would have published) a price;

"**Commodity Index**" means an index comprising commodities specified as such in the applicable Pricing Supplement;

"**Commodity Index Adjustment Event**" means, in respect of a Commodity Index, a Commodity Index Cancellation, a Commodity Index Disruption or a Commodity Index Modification;

"**Commodity Reference Price**" means the commodity reference price(s) specified as such in the applicable Pricing Supplement;

"**Component**" means in relation to a Commodity Index, any commodity or Futures Contract the price of which is included in such Commodity Index;

"**Delivery Date**" means the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) specified as such in, or determined in accordance with the provisions in, the applicable Pricing Supplement. In relation to any underlying Commodity which is specified in the applicable Pricing Supplement to be a "**Non Metal**" and each Pricing Date, the relevant Delivery Date shall be the month of expiration of the first Futures Contract to expire following such Pricing Date. In relation to any underlying Commodity which is specified in the applicable Pricing Supplement to be a "**Base Metal**" or a "**Precious Metal**" and each Pricing Date, the Delivery Date shall be such Pricing Date;

"**DJ UBS Commodity Index**" means the Dow Jones UBS Commodity Index and any other Commodity Index, in each case which is calculated and sponsored by Dow Jones Inc, or any successor to such sponsor;

"**DJ UBSCI Manual**" means the manual or handbook in respect of a DJ UBS Commodity Index published by the sponsor of the relevant Commodity Index and in effect from time to time;

"**Exchange**" means each exchange or principal trading market specified as such in relation to a Commodity in the applicable Pricing Supplement or in the applicable Commodity Reference Price;

"**Futures Contract**" means either (a) the contract for future delivery in respect of the relevant Delivery Date relating to the relevant Commodity referred to in the relevant Commodity Reference Price or (b) each futures contract underlying or included in a Commodity Index;

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Notes;

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Notes, or (B) realise, recover or remit the proceeds of any such transactions or asset(s);

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

"**Index Methodology**" means the manual or handbook in respect of an S&P Commodity Index published by the sponsor of the relevant Commodity Index and in effect from time to time;

"**Price Source**" means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified as such in the applicable Pricing Supplement;

"**Pricing Date**" means, subject as provided in this Condition 11 (*Provisions relating to Commodity-Linked Notes*) each date specified as such (or determined pursuant to a method specified for such purpose) in the applicable Pricing Supplement;

"**Relevant Commodity Benchmark**" means:

(a) the Commodity Reference Price (or, if applicable, the index, benchmark or other price source that is referred to in the Commodity Reference Price);

(b) the Commodity Index; and

(c) any other index, benchmark or price source specified as such in the applicable Pricing Supplement.

To the extent that a Fallback Reference Price is used, such Fallback Reference Price shall be a "Relevant Benchmark" from the day on which it is used;

"**Relevant Price**" on any day means in respect of a unit of measure of the Commodity to which a Commodity-Linked Note relates, the price, expressed as a price per unit, determined by the Determination Agent as provided in the applicable Pricing Supplement with respect to such day for the applicable Commodity Reference Price;

"**S&P Commodity Index**" means the S&P GSCI Commodity Index and any other Commodity Index, in each case which is calculated and sponsored by Standard & Poor's, or any successor to such sponsor; and

"**Specified Price**" means any of the following prices of a Commodity or Commodities or levels of a Commodity Index (which must be a price reported or capable of being determined from information reported in or by the relevant Price Source), as specified in the applicable Pricing Supplement (and, if applicable, as of the time so specified) (a) the high price (b) the low price (c) the average of the high price and the low price (d) the closing price (e) the opening price (f) the bid price (g) the asked price (h) the average of the bid price and the asked price (i) the settlement price (j) the official settlement price (which shall be the Specified Price for any Commodity Index, and for any Commodity specified in the applicable Pricing Supplement as a "**Non Metal**") (k) the official price (l) the morning fixing (m) the afternoon fixing (which shall be the Specified Price in respect of any Commodity specified in the applicable Pricing Supplement as a "**Precious Metal**") (n) the spot price or (o) any other price specified in the applicable Pricing Supplement. The Specified Price for any Commodity specified in the applicable Pricing Supplement as a "Precious Metal" shall be the official cash bid price.

12. Provisions relating to Currency-Linked Notes

This Condition 12 (*Provisions relating to Currency-Linked Notes*) is applicable in respect of any Series of Notes ("**Currency-Linked Notes**") where "**Currency-Linked Interest Note Provisions**" and/or "**Currency-Linked Redemption Provisions**" are specified in the applicable Pricing Supplement as being applicable.

12.1 *Valuation Date*

"**Valuation Date**" means, in respect of any Series of Currency-Linked Notes, the date(s) specified as such or otherwise determined as provided in the applicable Pricing Supplement provided that where the Valuation Date is not a Currency Business Day then the Valuation Date shall be the first preceding day that is a Currency Business Day, unless ((i) an Unscheduled Holiday occurs and Condition 12.3 (*EM Unscheduled Holiday*) applies; (ii) an event giving rise to EM Valuation Postponement occurs and Condition 12.5(a)(iii) (*Currency Disruption Fallbacks – EM Valuation Postponement*) applies; (iii) an event giving rise to EM Valuation Fallback Postponement occurs and Condition 12.5(a)(iv) (*Currency Disruption Fallbacks – EM Valuation Fallback Postponement*) applies; or (iv) otherwise specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement and subject to Condition 12.2 (*Averaging*), Condition 12.3 (*EM Unscheduled Holiday*), Condition 12.5(a)(iii) (*Currency Disruption Fallbacks – EM Valuation Postponement*), and Condition 12.5(a)(iv) (*Currency Disruption Fallbacks – EM Valuation Fallback Postponement*) (as applicable), the Valuation Date will be the date falling two Currency Business Days prior to the Maturity Date.

Where any Valuation Date is postponed pursuant to Condition 12.3 (*EM Unscheduled Holiday*), Condition 12.5(a)(iii) (*Currency Disruption Fallbacks – EM Valuation Postponement*) or Condition 12.5(a)(iv) (*Currency Disruption Fallbacks – EM Valuation Fallback Postponement*) (as applicable), the Interest Payment Date or the Maturity Date to which the Valuation Date relates shall be the later of (a) the scheduled Interest Payment Date or Maturity Date (as the case may be)

and (b) the date that falls two Currency Business Days after the Valuation Date (or such other date as may be specified in the applicable Pricing Supplement).

12.2 *Averaging*

If Averaging Dates are specified in the applicable Pricing Supplement, then notwithstanding any other provisions of these Conditions, the following provisions will apply to the determination of the Settlement Rate in relation to a Valuation Date:

(a) "**Averaging Date**" means, in respect of a Valuation Date, each date specified as such or otherwise determined as provided in the applicable Pricing Supplement, provided that if any such date is not a Currency Business Day, such date shall be the first preceding day that is a Currency Business Day, unless (i) an Unscheduled Holiday occurs and Condition 12.3 (*EM Unscheduled Holiday*) applies; (ii) an event giving rise to EM Valuation Postponement occurs and Condition 12.5(a)(iii) (*Currency Disruption Fallbacks – EM Valuation Postponement*) applies; (iii) an event giving rise to EM Valuation Fallback Postponement occurs and Condition 12.5(a)(iv) (*Currency Disruption Fallbacks – EM Valuation Fallback Postponement*) applies; or (iv) otherwise specified in the applicable Pricing Supplement.

(b) For purposes of determining the Settlement Rate in relation to a Valuation Date, the Settlement Rate will be the arithmetic mean of the Spot Rates on each Averaging Date (or, if different, the day on which rates for each Averaging Date would, in the ordinary course, be published or announced by the relevant price source).

(c) Unless (i) an Unscheduled Holiday occurs and Condition 12.3 (*EM Unscheduled Holiday*) applies; (ii) an event giving rise to EM Valuation Postponement occurs and Condition 12.5(a)(iii) (*Currency Disruption Fallbacks – EM Valuation Postponement*) applies; (iii) an event giving rise to EM Valuation Fallback Postponement occurs and Condition 12.5(a)(iv) (*Currency Disruption Fallbacks – EM Valuation Fallback Postponement*) applies; or (iv) otherwise specified in the applicable Pricing Supplement, in the case where it becomes impossible to obtain the Spot Rate on an Averaging Date (or, if different, the day on which rates for that Averaging Date would, in the ordinary course, be published or announced by the relevant price source), such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Settlement Rate. If through the operation of this Condition 12.2(c) (*Averaging*), there would not be an Averaging Date with respect to the relevant Valuation Date, the provisions of Condition 12.55 (*Currency Disruption Fallbacks*) shall apply for purposes of determining the relevant Spot Rate on the final Averaging Date with respect to that Valuation Date as if such Averaging Date were a Valuation Date on which a Price Source Disruption had occurred.

Where any Averaging Date in respect of a Valuation Date is postponed pursuant to Condition 12.3 (*EM Unscheduled Holiday*), Condition 12.5(a)(iii) (*Currency Disruption Fallbacks – EM Valuation Postponement*) or Condition 12.5(a)(iv) (*Currency Disruption Fallbacks – EM Valuation Fallback Postponement*) (as applicable), the Interest Payment Date or the Maturity Date to which the Averaging Date and the Valuation Date relates shall be the later of (a) the scheduled Interest Payment Date or Maturity Date (as the case may be) and (b) the date that falls two Currency Business Days after the final Averaging Date in respect of such Valuation Date (or such other date as may be specified in the applicable Pricing Supplement).

12.3 *EM Unscheduled Holiday*

If "EM Unscheduled Holiday" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that a Valuation Date or an Averaging Date is an Unscheduled Holiday in respect of a Settlement Rate, then the Valuation Date or Averaging Date, as the case may be, in respect of such Settlement Rate shall be the first succeeding Currency Business Day which is not an Unscheduled Holiday, unless the Determination Agent determines that such first Currency Business Day has not occurred on or before the Maximum Days of

Unscheduled Holiday Postponement immediately following such scheduled Valuation Date or Averaging Date. In that case:

(A) the next day after that period that would be a Currency Business Day but for the occurrence of an Unscheduled Holiday shall be deemed to be the Valuation Date or the Averaging Date, as the case may be (such day, the "**Adjusted Valuation Date**" or the "**Adjusted Averaging Date**", as applicable); and

(B) the Determination Agent shall determine the Settlement Rate in respect of such Adjusted Valuation Date or Adjusted Averaging Date, as the case may be, in accordance with the first applicable Currency Disruption Fallback (applied in accordance with its terms) that provides the Settlement Rate.

If this Condition 12.3 (*EM Unscheduled Holiday*) applies, the provisions of Condition 12.4(a)(ii)(B) (*Currency Disruption Events – Additional Price Source Disruption Event*) shall not apply notwithstanding that "Additional Price Source Disruption" may be specified as applicable in the applicable Pricing Supplement.

12.4 *Currency Disruption Events*

(a) If so specified in the Pricing Supplement relating to any Series of Notes, the following shall constitute "**Currency Disruption Events**" for the purposes of such Series:

(i) "**Price Source Disruption**", which means it becomes impossible, as determined by the Determination Agent, acting in a commercially reasonable manner, to determine the Settlement Rate on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the Reference Source);

(ii) "**Additional Price Source Disruption**", which means in relation to the determination of the Settlement Rate on the Valuation Date:

(A) the relevant exchange rate is not displayed on the Reference Source for such Valuation Date;

(B) such Valuation Date is an Unscheduled Holiday; or

(C) the Determination Agent determines in good faith that the exchange rate so displayed on the Reference Source is manifestly incorrect;

(iii) "**Price Materiality Event**", which means the Primary Rate differs from the Secondary Rate by at least the Price Materiality Percentage;

(iv) "**Dual Exchange Rate**", which means that the Settlement Rate splits into dual or multiple exchange rates;

(v) "**General Inconvertibility**", which means in respect of a Currency Pair, the occurrence of any event that generally makes it impossible for the Issuer or the Determination Agent on its behalf to convert the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction through customary legal channels;

(vi) "**General Non-Transferability**", which means the occurrence of any event in or affecting any relevant jurisdiction that generally makes it impossible for the Issuer to deliver (A) the Non-Event Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction or (B) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction;

(vii) "**Illiquidity**", which means it becomes impossible for the Issuer or the Determination Agent on its behalf to obtain a firm quote of the Settlement Rate for the Minimum Amount (either in one transaction or a commercially reasonable number of transactions that, when

taken together, total the Minimum Amount) on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source) or by such other date (the "**Illiquidity Valuation Date**") as is specified for such purpose in the applicable Pricing Supplement. If an Illiquidity Valuation Date is specified in the applicable Pricing Supplement and an Illiquidity Currency Disruption Event occurs on such date, then the Illiquidity Valuation Date will be deemed to be the Valuation Date;

(viii) "**Governmental Authority Default**", which means with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Governmental Authority, the occurrence of a default, event of default or other similar condition or event (however described) including, but not limited to, (A) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for borrowed money or guarantee;

(ix) "**Nationalization**", which means any expropriation, confiscation, requisition, nationalization or other action by any Governmental Authority which deprives the Issuer (or any of its Affiliates), of all or substantially all of its assets in the Event Currency Jurisdiction;

(x) "**Material Change in Circumstance**", which means the occurrence of any event (other than those events specified as Currency Disruption Events in this Condition 12.4 (*Currency Disruption Events*)) in the Event Currency Jurisdiction beyond the control of the Issuer which makes it impossible for the Issuer to fulfil its obligations under the Notes; and

(xi) any other (if any) currency disruption event specified in the applicable Pricing Supplement.

(b) If the applicable Pricing Supplement specifies that any Currency Disruption Event shall be applicable to such Series, then, where the Determination Agent determines, acting in a commercially reasonable manner, that such Currency Disruption Event occurs or has occurred and is continuing in respect of such Series:

(i) in the case of Price Source Disruption, on the day that is the Valuation Date in respect of such Series (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source); and

(ii) in the case of any other Currency Disruption Event, on such day as may be specified for this purpose in the applicable Pricing Supplement,

then the Settlement Rate for such Series will be determined in accordance with the terms of the Currency Disruption Fallback first applicable pursuant to Condition 12.5 (*Currency Disruption Fallbacks*), which shall be subject to Condition 12.4(c) below.

(c) (i) If the Series of Notes is a single Currency-Linked Note, the provisions of Conditions 12.4(a) and (b) above shall apply.

(ii) If the Series of Notes is a Currency Basket-Linked Note, and the Determination Agent determines that a Currency Disruption Event has occurred on any Valuation Date or Relevant Date in respect of any Settlement Rate (which for the purposes of Conditions

12.4 (*Currency Disruption Events*) and 12.5 (*Currency Disruption Fallbacks*) shall mean the Settlement Rate in respect of each Currency Pair), then:

(A) for each Settlement Rate for which the Determination Agent determines that a Currency Disruption Event has not occurred, the Settlement Rate shall be determined in accordance with the Conditions; and

(B) for each Settlement Rate for which the Determination Agent determines that a Currency Disruption Event has occurred, the Determination Agent shall determine the Settlement Rate in accordance with the applicable Currency Disruption Fallback in accordance with Condition 12.5 (*Currency Disruption Fallbacks*) and the applicable Pricing Supplement.

12.5 *Currency Disruption Fallbacks*

(a) If so specified in the Pricing Supplement relating to any Series of Notes, the following shall constitute "**Currency Disruption Fallbacks**" for the purposes of such Series, and the applicable Pricing Supplement shall specify which Currency Disruption Fallback(s) shall apply to such Series, to which Currency Disruption Event each such Currency Disruption Fallback shall apply and, where more than one Currency Disruption Fallback may apply to a Currency Disruption Event, the order in which such Currency Disruption Fallback(s) shall apply to such Currency Disruption Event.

(i) "**Determination Agent Determination of Settlement Rate**" means that the Determination Agent will determine, in its reasonable discretion, the Settlement Rate (or a method for determining the Settlement Rate), taking into consideration all available information that it deems relevant including (but not limited to), in the case of Currency Basket-Linked Notes, the relevant rate for each unaffected Currency Pair which was determined on the relevant Valuation Date;

(ii) "**Fallback Reference Price**" means that the Determination Agent will determine, in its reasonable discretion, the Settlement Rate for such Series on the relevant Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced) pursuant to Currency Reference Dealers, or pursuant to such other methodology or price sources as may be specified as the Fallback Reference Price in the applicable Pricing Supplement;

(iii) "**EM Valuation Postponement**" means that if the Determination Agent determines that a Valuation Date, an Adjusted Valuation Date, an Averaging Date or an Adjusted Averaging Date is a Disrupted Day in respect of the Settlement Rate (which term shall include, where the applicable Pricing Supplement provides that the prior applicable Currency Disruption Fallback is "Fallback Reference Price", the Settlement Rate determined using the applicable Fallback Reference Price), then the Valuation Date, Adjusted Valuation Date, Averaging Date or Adjusted Averaging Date, as the case may be, shall be the first succeeding Currency Business Day which is not a Disrupted Day, unless the Determination Agent determines that no such Currency Business Day has occurred on or before the Maximum Days of EM Valuation Postponement immediately following such scheduled Valuation Date, Adjusted Valuation Date, Averaging Date or Adjusted Averaging Date, as the case may be. In that case:

(A) the next Currency Business Day after the EM Valuation Longstop Date shall be deemed to be the Valuation Date, Adjusted Valuation Date, Averaging Date or Adjusted Averaging Date, as the case may be, (notwithstanding the fact that such day may be a Disrupted Day); and

(B) the next Currency Disruption Fallback specified in the applicable Pricing Supplement shall apply;

(iv) "**EM Valuation Fallback Postponement**" means that if the Determination Agent determines that the Settlement Rate (which term shall include, where the applicable Pricing Supplement provides that the prior applicable Currency Disruption Fallback is

"Fallback Reference Price", the Settlement Rate determined using the applicable Fallback Reference Price) is not available (a) on the first Currency Business Day following the end of the Maximum Days of EM Valuation Postponement (where a Currency Disruption Event has occurred or exists in respect of the Settlement Rate throughout the Maximum Days of EM Valuation Postponement); or (b) the Adjusted Valuation Date or Adjusted Averaging Date, as the case may be, then the Valuation Date or the Averaging Date, as the case may be, shall be the first succeeding Currency Business Day which is not a Disrupted Day, unless the Determination Agent determines that no such Currency Business Day has occurred on or before the Maximum Days of EM Valuation Fallback Postponement immediately following such first Currency Business Day following the end of the Maximum Days of EM Valuation Postponement, or the Adjusted Valuation Date or Adjusted Averaging Date, as the case may be. In that case:

(A) the next Currency Business Day after the EM Valuation Fallback Longstop Date shall be deemed to be the Valuation Date or the Averaging Date, as the case may be, (notwithstanding the fact that such day may be a Disrupted Day); and

(B) the next Currency Disruption Fallback specified in the applicable Pricing Supplement shall apply;

(v) "**Cumulative Events**" means that the total number of consecutive calendar days during which a Valuation Date or an Averaging Date, as the case may be, is deferred due to (i) an Unscheduled Holiday in circumstances where Condition 12.3 (*EM Unscheduled Holiday*) applies; (ii) EM Valuation Postponement; or (iii) EM Valuation Fallback Postponement (or a combination of (i) (ii) and (iii)), shall not exceed the Maximum Days of Cumulative Postponement in the aggregate.

Accordingly, if by the operation of the above paragraph, a Valuation Date or an Averaging Date, as the case may be, is postponed by the number of calendar days equal to the Maximum Days of Cumulative Postponement, then such Valuation Date or Averaging Date, as the case may be, shall be the Cumulative Postponement Longstop Date. If such Cumulative Postponement Longstop Date is a Disrupted Day, then the Determination Agent shall determine the Settlement Rate in respect of such Cumulative Postponement Longstop Date in accordance with the next applicable Currency Disruption Fallback; and

(vi) any other provisions specified as Currency Disruption Fallbacks in the applicable Pricing Supplement.

(b) Where more than one Currency Disruption Event occurs or exists or is deemed to occur or exist, then, unless the applicable Pricing Supplement has specified which Currency Disruption Fallback shall apply in such circumstances, the Determination Agent shall determine, in its reasonable discretion, which Currency Disruption Fallback shall apply.

12.6 *Administrator/Benchmark Events*

(a) If the Benchmark Trigger Provisions are specified in the applicable Pricing Supplement as being applicable and an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occur;

(i) the Currency Disruption Fallbacks specified in the applicable Pricing Supplement to apply with respect to Administrator/Benchmark Event will apply, or if none are specified, the Currency Disruption Fallbacks specified in the applicable Pricing Supplement to apply shall be deemed to apply in accordance with Condition 12.5 (*Currency Disruption Fallbacks*) provided that if the Relevant FX Benchmark is not the Settlement Rate then references to the "Settlement Rate" in the applicable Currency Disruption Fallbacks and related definitions and provisions of these Conditions shall be deemed to be references to the Relevant FX Benchmark;

(ii) if it (i) is or would be unlawful at any time under any applicable law or regulation or (ii) would contravene any applicable licensing requirements, for the Issuer or the

Determination Agent to perform the actions prescribed in an applicable Currency Disruption Fallback (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time), the next applicable Currency Disruption Fallback will apply; and

(iii) if the Issuer determines that the last applicable Currency Disruption Fallback does not provide a Settlement Rate (including due to the applicability of paragraph (ii) above in relation to the last applicable Currency Disruption Fallback), then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to the Early Redemption Amount.

(b) The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer, the Fiscal Agent and the Noteholders of the occurrence of an Administrator/Benchmark Event Date and of any action taken as a consequence, provided that any failure to give such notice shall not affect the validity of the foregoing.

12.7 *Change to a Relevant FX Benchmark*

If the definition, methodology or formula for a Relevant FX Benchmark, or other means of calculating the Relevant FX Benchmark, is changed (irrespective of the materiality of any such change or changes), then, unless otherwise specified in the applicable Pricing Supplement, references to that Relevant FX Benchmark shall be to the Relevant FX Benchmark as changed.

12.8 *Additional Disruption Events*

(a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Notes shall continue or be redeemed early.

(b) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the redemption, settlement, or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

(c) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment of an amount in respect of each Note equal to the Early Redemption Amount as specified in the applicable Pricing Supplement.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Fiscal Agent and the Determination Agent of the occurrence of an Additional Disruption Event.

(e) For the purposes hereof:

"**Additional Disruption Event**" means, if specified as applicable in the applicable Pricing Supplement, with respect to any Series of Notes, a Change in Law, Hedging Disruption, Increased Cost of Hedging and any further event or events as may be specified in the applicable Pricing Supplement.

12.9 *Definitions applicable to Currency-Linked Notes*

In relation to Currency-Linked Notes, the following expressions have the meanings set out below:

"**Additional Currency Financial Centre(s)**" means the city or cities specified as such in the applicable Pricing Supplement;

"**Change in Law**" means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it has become illegal to hold, acquire or dispose of Hedge Positions or (y) it will incur a materially increased cost in performing its obligations with respect to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Cumulative Postponement Longstop Date**" means, in respect of any postponement by a number of days equal to the Maximum Days of Cumulative Postponement, the last day of such postponement;

"**Currency Business Day**" means, unless otherwise specified in the applicable Pricing Supplement:

(a) for the purposes of the definition of "Valuation Date" in Condition 12.1 (*Valuation Date*), in respect of any Series of Currency-Linked Notes: (i) a day on which commercial banks are (or but for the occurrence of a Currency Disruption Event, would have been) open for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the Principal Financial Centre(s) of the Reference Currency and, if so specified in the applicable Pricing Supplement for this paragraph (a), in any Additional Currency Financial Centre or (ii) where the currency to be valued is euro, a day that is a TARGET Settlement Day and a Business Day;

(b) for any other purpose, in respect of any Series of Currency-Linked Notes: (i) a day on which commercial banks are open for general business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the Principal Financial Centre(s) of the Reference Currency and, if so specified in the applicable Pricing Supplement for this paragraph (b), in any Additional Currency Financial Centre and (ii) where one of the Currency Pair is euro, a day that is a TARGET Settlement Day;

"**Currency Pair**" means the Reference Currency and the Settlement Currency;

"**Currency Reference Dealers**" means that the Settlement Rate or the Spot Rate for a Rate Calculation Date will be determined on the basis of quotations provided by Reference Dealers on that Rate Calculation Date of that day's Specified Rate, expressed as the amount of Reference Currency per one unit of Settlement Currency for settlement on the Maturity Date (or other relevant date for payment under the Notes). The Determination Agent will request each of the Reference Dealers to provide a firm quotation of its Specified Rate for a transaction where the amount of Reference Currency equals the Specified Amount. If four quotations are provided, the rate for a Rate Calculation Date will be the arithmetic mean of the Specified Rates, without regard to the Specified Rates having the highest and lowest value. If exactly three quotations are provided, the rate for a Rate Calculation Date will be the Specified Rate provided by the Reference Dealer that remains after disregarding the Specified Rates having the highest and lowest values. For this purpose, if more than one quotation has the same highest value or lowest value, then the Specified Rate of one of such quotations shall be disregarded. If exactly two quotations are provided, the rate for a Rate Calculation Date will be the arithmetic mean of the Specified Rates. If only one quotation is provided, the rate for a Rate Calculation Date will be the Specified Rate quoted by that Reference Dealer. The quotations used to determine the Spot Rate for a Rate Calculation Date will be determined in each case at the Specified Time on that Rate Calculation Date, or, if no such time is specified, the time chosen by the Determination Agent;

"**Disrupted Day**" means any day on which a Currency Disruption Event occurs or has occurred and is continuing;

"**EM Valuation Fallback Longstop Date**" means, in respect of any postponement by a number of days equal to the Maximum Days of EM Valuation Fallback Postponement, the last day of such postponement;

"**EM Valuation Longstop Date**" means, in respect of any postponement by a number of days equal to the Maximum Days of EM Valuation Postponement, the last day of such postponement;

"**Event Currency**" means the Reference Currency, unless otherwise specified in the applicable Pricing Supplement;

"**Event Currency Jurisdiction**" means the country for which the Event Currency is the lawful currency;

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a relevant jurisdiction;

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Notes;

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Notes, or (B) realise, recover or remit the proceeds of any such transactions or asset(s);

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

"**Maximum Days of Cumulative Postponement**" means the number of days specified as such in the applicable Pricing Supplement;

"**Maximum Days of EM Valuation Fallback Postponement**" means the number of days specified as such in the applicable Pricing Supplement;

"**Maximum Days of EM Valuation Postponement**" means the number of days specified as such in the applicable Pricing Supplement;

"**Maximum Days of Unscheduled Holiday Postponement**" means the number of days specified as such in the applicable Pricing Supplement;

"**Minimum Amount**" means, for the purposes of an Illiquidity Currency Disruption Event, the amount specified as such in the applicable Pricing Supplement or, if such an amount is not specified, the Specified Amount;

"**Non-Event Currency**" means, in respect of a Currency Pair, the currency that is not the Event Currency;

"**Price Materiality Percentage**" means the percentage specified as such in the applicable Pricing Supplement;

"**Primary Rate**" means the rate specified as such in the applicable Pricing Supplement;

"**Rate Calculation Date**" means any Valuation Date or Averaging Date (as defined in Conditions 12.1 (*Valuation Date*) and 12.2 (*Averaging*), respectively);

"**Reference Currency**" means the currency specified as such in the applicable Pricing Supplement;

"**Reference Dealers**" means the reference dealers specified as such in the applicable Pricing Supplement;

"**Reference Source**" means the source (such as a Reuters screen page, Bloomberg page or website) specified as such in the applicable Pricing Supplement or any successor;

"**Relevant FX Benchmark**" means, in respect of any Notes:

(i) the Settlement Rate;

(ii) the Primary Rate and the Secondary Rate; and

(iii) any other index, benchmark, rate or price source which is referenced in the Notes and which is a measure constituting an index (or combination of indices) under any law or regulation applicable to the Notes and identified as a "Relevant FX Benchmark" in the applicable Pricing Supplement.

To the extent that a Fallback Reference Price is used, it shall be a "Relevant FX Benchmark" from the day on which it is used.

"**Secondary Rate**" means the rate specified as such in the applicable Pricing Supplement;

"**Settlement Currency**" means the currency specified as such in the applicable Pricing Supplement;

"**Settlement Rate**" means the rate as determined by the Determination Agent, in its reasonable discretion, in accordance with the applicable Pricing Supplement and, where applicable shall be determined in accordance with Condition 12.2 (*Averaging*);

"**Specified Amount**" means the amount of Reference Currency specified as such in the applicable Pricing Supplement;

"**Specified Rate**" means any of the following rates, as specified in the applicable Pricing Supplement: (i) the Reference Currency bid exchange rate, (ii) the Reference Currency offer exchange rate, (iii) the average of the Reference Currency bid and offer exchange rates, (iv) the Settlement Currency bid exchange rate, (v) the Settlement Currency offer exchange rate, (vi) the average of the Settlement Currency bid and offer exchange rates, (vii) the official fixing rate or (viii) any other exchange rate specified in the applicable Pricing Supplement. If no such rate is specified, the Specified Rate will be deemed to be the average of the Reference Currency bid and offer rate;

"**Specified Time**" means, in respect of any series of Notes and the determination of the Spot Rate, the time specified as such in the applicable Pricing Supplement or if no such time is specified the time chosen by the Determination Agent;

"**Spot Rate**" means for any Valuation Date, the relevant currency exchange rate, expressed as the amount of Reference Currency per one unit of Settlement Currency, determined as the currency exchange rate at the time at which such rate is to be determined for foreign exchange transactions in the Currency Pair for value on the Maturity Date (or other relevant date for payment under the Notes), as determined in good faith and in a commercially reasonable manner by the Determination Agent; and

"**Unscheduled Holiday**" means that a day is not a Currency Business Day and that the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in the Principal Financial Centre(s) of the Reference Currency two Currency Business Days prior to such day.

13. Provisions relating to Inflation-Linked Notes

This Condition 13 (*Provisions relating to Inflation-Linked Notes*) is applicable in respect of any Series of Notes ("**Inflation-Linked Notes**") where "**Inflation-Linked Interest Note Provisions**"

and/or "**Inflation-Linked Redemption Provisions**" are specified in the applicable Pricing Supplement as being applicable.

13.1 *Delay of Publication*

If any level of an Index for a Reference Month which is relevant to the calculation of a payment under the Notes (a "**Relevant Level**") has not been published or announced by the day that is five Business Days prior to the next Specified Interest Payment Date under the Notes or other relevant payment date as may be specified in the applicable Pricing Supplement in relation to the Notes, the Determination Agent shall determine a Substitute Index Level (in place of such Relevant Level) in a commercially reasonable manner in its reasonable discretion. If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the next Specified Interest Payment Date or other relevant payment date as may be specified in the applicable Pricing Supplement, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this Condition 13.1 (*Delay of Publication*), will be the definitive level for that Reference Month.

13.2 *Cessation of Publication*

If a level for the Index has not been published or announced for two consecutive months or the Index Sponsor announces that it will no longer continue to publish or announce the Index then the Determination Agent shall determine a Successor Index (in lieu of any previously applicable Index) for the purposes of the Notes by using the following methodology:

(a) If at any time a Successor Index has been designated by the calculation agent of the Related Bond pursuant to the terms and conditions of the Related Bond, such Successor Index shall be designated a "Successor Index" for the purposes of all subsequent Specified Interest Payment Dates or other relevant payment date as may be specified in the applicable Pricing Supplement in relation to the Notes, notwithstanding that any other Successor Index may previously have been determined under Conditions 13.2(b), 13.2(c) or 13.2(d) (*Cessation of Publication*) below; or

(b) If a Successor Index has not been determined under Condition 13.2(a) above and a notice has been given or an announcement has been made by the Index Sponsor, specifying that the Index will be superseded by a replacement index specified by the Index Sponsor, and the Determination Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be the Index for purposes of the Notes from the date that such replacement index comes into effect; or

(c) If a Successor Index has not been determined under Condition 13.2(a) or 13.2(b) above, the Determination Agent shall ask five leading independent dealers to state what the replacement Index for the Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same Index, this Index will be deemed the "**Successor Index**". If three responses are received, and two or more leading independent dealers state the same Index, this Index will be deemed the "Successor Index". If fewer than three responses are received, the Determination Agent will proceed to Condition 13.2(d) below;

(d) If no Successor Index has been determined under Condition 13.2(a), 13.2(b) or 13.2(c) (*Cessation of Publication*) by the fifth Business Day prior to the next Affected Payment Date, the Determination Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed a "**Successor Index**"; or

(e) If the Determination Agent determines that there is no appropriate alternative index, the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to the Early Redemption Amount.

13.3 *Rebasing of the Index*

If the Determination Agent determines that an Index has been or will be rebased at any time, the Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the level of such Index from the date of such rebasing; provided, however, that the Determination Agent shall make such adjustments as are made by the calculation agent of the Related Bond pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. If there is no Related Bond, the Determination Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Notes.

13.4 *Material Modification Prior to Payment Date*

If, on or prior to the day that is five Business Days before a Specified Interest Payment Date under the Notes or other relevant payment date as may be specified in the applicable Pricing Supplement in relation to the Notes, an Index Sponsor announces that it will make a material change to an Index then the Determination Agent shall make any such adjustments to the Index consistent with adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Index to continue as the Index.

13.5 *Manifest Error in Publication*

If, within thirty days of publication and prior to the redemption of the Notes or payments in respect of any relevant Specified Interest Payment Date or other relevant payment date as may be specified in the applicable Pricing Supplement in relation to the Notes, the Determination Agent determines that the Index Sponsor has corrected the level of the Index to remedy a manifest error in its original publication, the Determination Agent will notify the holders of the Notes in accordance with Condition 35 (*Notices*) of (a) that correction, (b) the adjusted amount that is then payable under the Notes as a result of that correction and (c) take such other action as it may deem necessary to give effect to such correction, provided that any amount payable pursuant to sub-paragraph (b) above shall be paid (with no interest accruing thereon) (i) in connection with an Index Sponsor's correction to remedy a manifest error in the level of an Index for a Reference Month for which the Specified Interest Payment Date or other relevant payment date as may be specified in the applicable Pricing Supplement in relation to the Notes has occurred, within 15 Business Days after notice of such amount payable by the Determination Agent, (ii) in connection with an Index Sponsor's correction to remedy a manifest error in the level of an Index for a Reference Month for which the Specified Interest Payment Date or other relevant payment date as may be specified in the applicable Pricing Supplement in relation to the Notes has not occurred, as an adjustment to the payment obligation on the next Specified Interest Payment Date or (iii) if there is no further Specified Interest Payment Date other relevant payment date as may be specified in the applicable Pricing Supplement in relation to the Notes, within 15 Business Days after notice of such amount payable by the Determination Agent.

13.6 *Additional Disruption Events*

(a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Notes shall continue or be redeemed early.

(b) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the redemption, settlement, or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

(c) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment of an amount in respect of each Note equal to the Early Redemption Amount.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Fiscal Agent and the Determination Agent of the occurrence of an Additional Disruption Event.

(e) For the purposes hereof:

"**Additional Disruption Event**" means, if specified as applicable in the applicable Pricing Supplement, with respect to any Series of Notes, a Change in Law, Hedging Disruption, Increased Cost of Hedging, and any further event or events as may be specified in the applicable Pricing Supplement.

13.7 *Definitions Applicable to Inflation-Linked Notes*

In relation to Inflation-Linked Notes, the following expressions have the meanings set out below:

"**Affected Payment Date**" means each Specified Interest Payment Date or other relevant payment date as may be specified in the applicable Pricing Supplement in relation to the Notes in respect of which an Index has not been published or announced;

"**Change in Law**" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has become illegal to hold, acquire or dispose of Hedge Positions or (ii) it will incur a materially increased cost in performing its obligations with respect to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Fallback Bond**" means a bond selected by the Determination Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (a) the same date as the Maturity Date, (b) the next longest maturity after the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) and (b) is selected by the Determination Agent. If the Index relates to the level of inflation across the European Monetary Union, the Determination Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Determination Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Settlement Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Determination Agent from those bonds. If the Fallback Bond redeems the Determination Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged);

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (b) stock loan transactions or (c) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Notes;

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Notes, or (b) realise, recover or remit the proceeds of any such transactions or asset(s);

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) provided that any such materially increased amount that is

incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

"**Index**" means any index specified as such in the applicable Pricing Supplement;

"**Index Sponsor**" means, in respect of an Index, the entity specified as such in the applicable Pricing Supplement or, if no entity is specified, the entity that publishes or announces (directly or through an agent) the level of the relevant Index;

"**Reference Month**" means the calendar month for which the level of the relevant Index was reported, regardless of when this information is published or announced. If the period for which the Index level was reported is a period other than a month, the Reference Month will be the period for which the Index level was reported;

"**Related Bond**" means the bond specified in the applicable Pricing Supplement, or if no bond is so specified, the Fallback Bond. If the Related Bond is "Fallback Bond", then for any Related Bond determination under these Conditions, the Determination Agent shall use the Fallback Bond (as that is defined in this Condition 13.7 (*Definitions Applicable to Inflation-Linked Notes*) herein). If no bond is specified in the applicable Pricing Supplement as the Related Bond and "Fallback Bond: Not Applicable" is specified in the applicable Pricing Supplement there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Pricing Supplement, and that bond redeems or matures before the relevant Maturity Date, unless "Fallback Bond: Not Applicable" is specified in the applicable Pricing Supplement, the Determination Agent shall use the Fallback Bond for any Related Bond determination;

"**Substitute Index Level**" means an Index level, determined by the Determination Agent pursuant to the provisions of Condition 13.1 (*Delay of Publication*), in respect of an Affected Payment Date; and

"**Successor Index**" has the meaning specified in Condition 13.2 (*Cessation of Publication*).

14. Provisions relating to Property-Linked Notes

This Condition 14 (*Provisions relating to Property-Linked Notes*) is applicable in respect of any Series of Notes ("**Property-Linked Notes**") where "**Property-Linked Interest Note Provisions**" and/or "**Property-Linked Redemption Provisions**" are specified in the applicable Pricing Supplement as being applicable.

14.1 *Rebasing of the Property Index*

If the Determination Agent determines that an Index has been or will be Rebased at any time (the Property Index as so Rebased, the "**Rebased Property Index**"), the Rebased Property Index will be used for the purposes of determining the level of the Property Index from the date of such Rebasing, provided however, that the Determination Agent shall adjust the terms of the Notes so that the use of the Rebased Property Index reflects what would have been the performance of the Index had the Rebasing not occurred save that any such Rebasing shall not affect any prior payments under the Notes.

14.2 *Error in Publication*

If the Determination Agent determines that an Error in Publication has occurred with respect to the Property Index, the Determination Agent may (a) use the corrected level of the Property Index to make any relevant calculations and/or (b) make any necessary adjustments to the relevant Property Index Level and such other terms of the Notes as it in its reasonable discretion determines to be appropriate to account for such Error in Publication.

For these purposes:

An "**Error in Publication**" will occur if the Property Index Sponsor announces that an error has occurred with respect to the Property Index Level as published on any Publication Date; the Property Index Level for such Publication Date is corrected to remedy such error; and the correction is published by the Index Sponsor at any time prior to the next following Scheduled Publication Date or if earlier any relevant determination date. An Error in Publication will not include a routine revision in the level of the Index in a regularly scheduled republication of the Index.

14.3 *Determination Agent Unable to Perform Actions*

If it (a) is or would be unlawful at any time under any applicable law or regulation or (b) would contravene any applicable licensing requirements, for the Determination Agent to perform the actions prescribed in Condition 14.2 (*Error in Publication*), then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to the Early Redemption Amount.

14.4 *Notification of Inability to Perform Actions*

The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer, the Fiscal Agent and the Noteholders of the occurrence of the event described in Condition 14.3 (*Determination Agent Unable to Perform Actions*) and of any action taken as a consequence, provided that any failure to give such notice shall not affect the validity of the foregoing.

14.5 *Property Index Cancellation or Administrator/Benchmark Event Date*

If, for a Property Index and with respect to a Property Index Level, on or prior to the Maturity Date or Early Redemption Date, either (1) the Property Index Sponsor permanently cancels the Property Index and no Replacement Property Index exists (a "**Property Index Cancellation**") or (2) the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occurs in respect of such Property Index, then:

(i) If the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and if an Alternative Pre-nominated Index has been specified in relation to such Property Index in the applicable Pricing Supplement, then:

(A) the Determination Agent shall attempt to determine an Adjustment Payment;

(B) if the Determination Agent determines an Adjustment Payment,

(aa) it shall notify the Issuer of the Adjustment Payment and if the Adjustment Payment is an amount that the Noteholder would (but for Condition 14.5(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Note, request the Issuer to notify the Determination Agent whether it intends to redeem the Notes pursuant to Condition 14.8 (*Property Index Adjustment Event*). If the Issuer does not intend to redeem the Notes pursuant to Condition 14.8 (*Property Index Adjustment Event*) then the following provisions of this Condition 14.5(i) (*Property Index Cancellation or Administrator/Benchmark Event Date*) shall apply;

(bb) the terms of the Notes shall be amended so that references to the Property Index are replaced by references to the Alternative Pre-nominated Index;

(cc) the Conditions shall be adjusted to implement the Adjustment Payment as follows:

(a) if the Adjustment Payment is an amount that the Issuer is required to pay in respect of each Note, the Determination Agent shall adjust the Conditions to provide for the payment of the Adjustment Payment on the immediately succeeding Interest Payment Date or if there is no such immediately succeeding Interest Payment Date, on the Maturity Date or other date when the Notes are redeemed in full; or

(b) if the Adjustment Payment is an amount that the Noteholder would (but for this Condition 14.5(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Note, the Determination Agent shall adjust the Conditions to provide for the reduction of the amounts due by the Issuer until the aggregate amount of such reductions is equal to the Adjustment Payment, (subject, in the determination of the Determination Agent, to any minimum redemption amount of the Notes which the Determination Agent determines is required pursuant to any applicable law or regulation (including, without limitation, any tax law) and the rules of each listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation);

(dd) the Determination Agent shall make such other adjustments to the Conditions as it determines necessary or appropriate in order to account for the effect of the replacement of the Property Index with the Alternative Pre-nominated Index and/or to preserve as nearly as practicable the economic equivalence of the Notes before and after the replacement of the Property Index with the Alternative Pre-nominated Index; and

(ee) the Determination Agent shall notify the Issuer, the Fiscal Agent and the Noteholders of any replacement of the Property Index by the Alternative Pre-nominated Index, the Adjustment Payment and any other adjustments to the Conditions, giving summary details of the adjustment(s), provided that any failure to give such notice shall not affect the validity of the foregoing; or

(C) If the Determination Agent is unable to determine an Adjustment Payment, then a Property Index Disruption Event shall be deemed to have occurred and Condition 14.8 (*Property Index Adjustment Event*) shall apply; or

(ii) If the applicable Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable or, if the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Index in relation to the Relevant Property Index Benchmark, then a Property Index Disruption Event shall be deemed to have occurred and Condition 14.8 (*Property Index Adjustment Event*) shall apply.

14.6 *Delay in Publication*

If the Property Index Level has not been announced by the Scheduled Publication Date or if earlier any relevant determination date, the following will apply:

(a) if the Property Index Sponsor publishes a provisional Property Index Level prior to the next Scheduled Publication Date or if earlier any relevant determination date, such provisional level of the Property Index for that Measurement Period shall apply for the purposes of the Notes; or

(b) if the Property Index Sponsor fails to publish the Property Index Level prior to the next occurring Scheduled Publication Date or if earlier any relevant determination date, in circumstances other than those described in Condition 14.5 (*Property Index Cancellation or Administrator/Benchmark*

Event Date), a Property Index Disruption Event shall be deemed to have occurred and Condition 14.8 (*Property Index Adjustment Event*) shall apply.

14.7 *Methodology Adjustment*

If the Property Index Sponsor announces that it has changed the methodology in calculating a Property Index and:

(a) continues publication of a property index based on the original methodology (the "**Replacement Property Index**"), such Replacement Property Index shall apply in lieu of the original Property Index in relation to the Notes; or

(b) discontinues publication of the Property Index based on the original Computational Methodology, a Property Index Disruption Event shall be deemed to have occurred and the procedure set out in Condition 14.8 (*Property Index Adjustment Event*) shall apply.

14.8 *Property Index Adjustment Event*

If:

(i) a Property Index Cancellation occurs and the Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable;

(ii) a Property Index Cancellation or an Administrator/Benchmark Event Date occurs in respect of a Property Index, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Index;

(iii) a Property Index Cancellation or an Administrator/Benchmark Event Date occurs in respect of a Property Index, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Index but the Determination Agent is unable to determine the Adjustment Payment;

(iv) a Property Index Cancellation or an Administrator/Benchmark Event Date occurs in respect of a Property Index, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Index and the Determination Agent determines that the Adjustment Payment would be an amount that the Noteholder would (but for Condition 14.5(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Note; or

(v) a Property Index Disruption Event occurs,

then the Issuer shall, in its reasonable discretion, determine whether or not the relevant Notes shall continue or be redeemed early. If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, to preserve the economic value of the Notes. If the Issuer determines that the Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to the holders (in accordance with Condition 35 (*Notices*) to redeem each Note at an amount equal to the Early Redemption Amount.

The Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the redemption, settlement or payment terms of the relevant Notes and/or any other adjustment, which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Fiscal Agent shall provide notice to the Noteholders of any such change or adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

14.9 *Notification of Property Index Adjustment Event*

The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer, the Fiscal Agent and the Noteholders of the occurrence of a Property Index Adjustment Event and of any action taken as a consequence, provided that any failure to give such notice shall not affect the validity of the foregoing.

14.10 *Additional Disruption Events*

(a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Notes shall continue or be redeemed early.

(b) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the redemption, settlement, or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date as the Determination Agent shall determine.

(c) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment of an amount in respect of each Note equal to the Early Redemption Amount.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Fiscal Agent and the Determination Agent of the occurrence of an Additional Disruption Event.

(e) For the purposes hereof:

"**Additional Disruption Event**" means, if specified as applicable in the applicable Pricing Supplement, with respect to any Series of Notes, a Change in Law, Hedging Disruption, Increased Cost of Hedging, and any further event or events as may be specified in the applicable Pricing Supplement.

14.11 *Definitions Applicable to Property-Linked Notes*

In relation to Property-Linked Notes, the following expressions have the meanings set out below:

"**Adjustment Payment**" means, in respect of any Note, the payment (if any) determined by the Determination Agent as is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value to or from the Issuer as a result of the replacement of the Property Index by the Alternative Pre-nominated Index;

"**Change in Law**" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has become illegal to hold, acquire or dispose of Hedge Positions or (ii) it will incur a materially increased cost in performing its obligations with respect to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Data Pool**" means the pool of properties underlying a Property Index.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (b) stock loan transactions or (c) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Notes;

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s)

or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Notes, or (b) realise, recover or remit the proceeds of any such transactions or asset(s);

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

"**Property Index**" means any index specified as such in the applicable Pricing Supplement;

"**Property Index Adjustment Event**" means, in respect of a Property Index, any of the events listed in Condition 14.8 (*Property Index Adjustment Event*);

"**Property Index Disruption Event**" means, in respect of a Property Index, either of the events described in Condition 14.6(b) (*Delay in Publication*) or Condition 14.7(b) (*Methodology Adjustment*);

"**Property Index Level**" means the final level of the relevant Property Index for a specified period or a specified date (as set out in the Pricing Supplement), as published by the Property Index Sponsor (or otherwise determined as set out in the applicable Pricing Supplement);

"**Publication Date**" means, in respect of an Index, each date on which such Property Index is published by the Property Index Sponsor;

"**Rebasing**" means the revaluation of a Property Index by the Property Index Sponsor by the application of a new Reference Price, without amendment to the formula for or the method of calculating the Index, and "**Rebased**" will be construed accordingly;

"**Reference Price**" means the historic value of the Data Pool used by the Property Index Sponsor as the benchmark for a Property Index; and

"**Relevant Property Index Benchmark**" means the Property Index;

"**Scheduled Publication Date**" means the date on which the Property Index Level is scheduled to be published.

15. **Provisions relating to Fund-Linked Notes**

This Condition 15 (*Provisions relating to Fund-Linked Notes*) is applicable in respect of any Series of Notes ("**Fund-Linked Notes**") where "**Fund-Linked Interest Note Provisions**" and/or "**Fund-Linked Redemption Provisions**" are specified in the applicable Pricing Supplement as being applicable.

15.1 *Reference Dates, Averaging Dates and Market Disruption*:

(a) If a Reference Date is not a Fund Business Day, the relevant Reference Date shall be the next succeeding Fund Business Day or, if either "Common Fund Business Days and Common Disrupted Days" or "Common Fund Business Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, the next succeeding Common Fund Business Day.

(b) The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer of the occurrence of a Disrupted Day on any day that, but for the occurrence or continuance of a Disrupted Day, would have been a Reference Date.

(c) If any Reference Date is a Disrupted Day, then:

(i) in the case of Single Fund Notes, the relevant Reference Date shall be the next succeeding Fund Business Day that is not in the determination of the Determination Agent a Disrupted Day, unless no Fund Business Day that is not a Disrupted Day has occurred prior to the last Fund Business Day of the Cut-off Period following the Scheduled Reference Date. In that case, (i) the last Fund Business Day of such Cut-off Period shall be deemed to be the Reference Date, notwithstanding the fact that such Fund Business Day is a Disrupted Day, and (ii) the Determination Agent shall determine its good faith estimate of the value for the Fund Interest as of the Valuation Time on that deemed Reference Date; or

(ii) in the case of Fund Basket Notes:

(A) where "Individual Fund Business Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:

(1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and

(2) the Reference Date for any Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an "**Affected Basket Component**") shall be the first Fund Business Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component, unless no Fund Business Day that is not a Disrupted Day has occurred prior to the last Fund Business Day of the Cut-off Period following the Scheduled Reference Date. In that case, (i) the last Fund Business Day of such Cut-off Period shall be deemed to be the Reference Date, notwithstanding the fact that such Fund Business Day is a Disrupted Day, and (ii) the Determination Agent shall determine its good faith estimate of the value for that Affected Basket Component as of the Valuation Time on that deemed Reference Date;

(B) where "Common Fund Business Days and Common Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, then if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, the Reference Date for each Basket Component shall be the first Common Fund Business Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of any Basket Component, unless no Common Fund Business Day that is not a Disrupted Day has occurred prior to the last Fund Business Day of the Cut-off Period following the Scheduled Reference Date. In that case, (i) the last Fund Business Day of such Cut-off Period shall be deemed to be the Reference Date, notwithstanding the fact that such Fund Business Day is a Disrupted Day, and (ii) the Determination Agent shall determine its good faith estimate of the value for each Basket Component as of the Valuation Time on that deemed Reference Date;

(C) where "Common Fund Business Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:

(1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall

be the Scheduled Reference Date for such Basket Component; and

(2) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an "**Affected Basket Component**") shall be the first Fund Business Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component, unless no Fund Business Day for such Basket Component that is not a Disrupted Day has occurred prior to the last Fund Business Day of the Cut-off Period following the Scheduled Reference Date. In that case, (i) the last Fund Business Day of such Cut-off Period shall be deemed to be the Reference Date, notwithstanding the fact that such Fund Business Day is a Disrupted Day, and (ii) the Determination Agent shall determine its good faith estimate of the value for that Affected Basket Component as of the Valuation Time on that deemed Reference Date;

(d) If Averaging Dates are specified in the applicable Pricing Supplement with respect to a Reference Date then, notwithstanding any other provisions of the Conditions, the following provisions will apply to the valuation of the relevant Fund Interest or Basket of Fund Interests in relation to the relevant Reference Date:

(i) If, in respect of Single Fund Notes, any Averaging Date in respect of a Reference Date is a Disrupted Day, then the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred prior to the Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Reference Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date), and (2) the Determination Agent shall determine its good faith estimate of the value for the Fund Interest as of the Valuation Time on that deemed Averaging Date; and

(ii) If, in the case of Fund Basket Notes, a Scheduled Averaging Date in respect of a Reference Date is determined by the Determination Agent to be a Disrupted Day in respect of any Basket Component, then:

(A) where "Individual Fund Business Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(2) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the first succeeding Valid Date in relation to such Affected Basket Component. If the first succeeding Valid Date has not occurred prior to the Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Reference Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date notwithstanding the fact that such day may not be a Valid Date), and (2) the Determination Agent shall determine its good faith estimate of the value for that Affected Basket Component as of the Valuation Time on that deemed Averaging Date;

(B) where "Common Fund Business Days and Common Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, then the Averaging Date for each Basket Component shall be the first succeeding Common Valid Date. If the first succeeding Common Valid Date has not occurred prior to the Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Reference Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date and notwithstanding the fact that such day may not be a Common Valid Date), and (2) the Determination Agent shall determine its good faith estimate of the value for each Basket Component as of the Valuation Time on that deemed Averaging Date; and

(C) where "Common Fund Business Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(2) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the first succeeding Valid Date in relation to such Affected Basket Component. If the first succeeding Valid Date has not occurred prior to the Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Reference Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date and notwithstanding the fact that such day may not be a Valid Date), and (2) the Determination Agent shall determine its good faith estimate of the value for that Affected Basket Component as of the Valuation Time on that deemed Averaging Date.

15.2 *Potential Adjustment Events*

Following the declaration by any Fund or Fund Service Provider of the terms of any Potential Adjustment Event, the Determination Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Interest or amount of Fund Interest and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Redemption Amount and/or any such other amounts payable under the Notes, the Reference Price and, in any case, any other variable relevant to the calculation, valuation, payment or other terms of Notes as the Determination Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and (b) determine the effective date(s) of the adjustment(s).

15.3 *Corrections*

Unless occurring after the day falling three Business Days prior to a due date for any payment or delivery under the Notes calculated by reference to the value of, or proceeds received from, any Fund Interest, if the Determination Agent determines that a Fund or a Fund Administrator adjusts any relevant value of the Fund Interest, including the Reference Price or the Redemption Proceeds that would have been paid to a Hypothetical Investor redeeming the relevant number of Fund Interests that are subject to valuation used for determining amounts and/or assets due under the

Notes, then the Determination Agent shall make such adjustments to the terms of the Notes as it determines necessary and practicable to reflect that the relevant value of the Fund Interest to be used shall be the value of, or proceeds received from, the relevant Fund Interest as so adjusted.

15.4 *Fund Events*

(a) If at any time the Determination Agent, acting in good faith and a commercially reasonable manner, determines that a Fund Event has occurred and/or is continuing then the Determination Agent shall provide written notice thereof to the Issuer (a "**Fund Event Notice**"). The Determination Agent shall not have any obligation to monitor the occurrence of a Fund Event nor shall it have any obligation to make a determination that a Fund Event has occurred or is continuing.

(b) The Issuer will, in its reasonable discretion, determine:

(i) where Fund Event Unscheduled Redemption is specified as applicable in the applicable Pricing Supplement, whether the relevant Notes shall be redeemed other than on the scheduled Maturity Date. If the Issuer determines that the relevant Notes shall be so redeemed, then the Issuer shall redeem each Note at an amount equal to the Early Redemption Amount, on such date as the Issuer may notify to Noteholders in accordance with Condition 35 (Notices), provided that not less than five Business Days' notice of such date, where other than the scheduled Maturity Date, is given to Noteholders;

(ii) whether to substitute any Affected Fund Interest with the Successor Fund Interest relating to such Affected Fund Interest; and/or

(iii) whether to make such adjustment to account for such Fund Event as it considers appropriate which may include, without limitation:

(A) making an adjustment to the calculation of the Redemption Amount and/or any such other amounts due under the Notes (which may include calculating a valuation (which may be zero) for the Affected Fund Interest and/or adjusting the weighting of the Affected Fund Interest in a Basket of Funds and/or deferring any relevant Determination Date until the circumstances giving rise to the relevant Fund Event are no longer continuing), all in the determination of the Determination Agent, acting in good faith and a commercially reasonable manner, and/or

(B) adjustments to any amount due in respect of the Notes to reflect (I) the Removal Value of the Affected Fund Interest instead of the Relevant Price of the Affected Fund Interest and (II) an amount determined by the Determination Agent in respect of interest (compounded on a daily basis) on the Removal Value of such Affected Fund Interest accrued at an overnight rate relating to the Specified Currency selected by the Determination Agent during the period from (and including) the date on which the replacement of the Affected Fund Interest is effective to (but excluding) the Maturity Date.

Where it is required to determine a valuation of the Affected Fund Interest for the purposes of this Condition 15.4(b) (*Fund Events*) by reference to the Reference Price of the Affected Fund Interest, the Determination Agent shall determine the mechanics for calculating such valuation of the Affected Fund Interest (which valuation may be zero) by reference to such sources as it considers appropriate including, but not limited to, the value it may obtain from a third party on arms' length terms for the transfer to it of any hedging arrangements relating to the Notes in so far as they relate to such Affected Fund Interest. Any payments under the Notes determined by reference to the value of the Affected Fund Interest shall be suspended until payment of the Early Redemption Amount or, as the case may be, determination of the valuation of the Affected Fund Interest. The date of payment of the Early Redemption Amount (or the proportion thereof relating to the valuation of the Affected Fund Interest) or other relevant amount determined by reference to the Affected Fund Interest may fall on

such commercially reasonable date after the scheduled Maturity Date as the Determination Agent considers necessary or appropriate to enable it to determine the relevant valuation subject to any Final Cut-off Date and provided that, if the Determination Agent is not able to determine such a value by reference to a Reference Price for an applicable deferred Determination Date or for such a transfer of any hedging arrangements to a third party by the scheduled Maturity Date or, if later, any Final Cut-off Date, it may deem the valuation to be zero.

The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

(iv) For the purposes of this Condition 15.4(b) (*Fund Events*):

(A) "**Successor Fund Interest**" means, in respect of any Affected Fund Interest, one or more funds that, in the determination of the Determination Agent:

(1) have a geographical and/or underlying reference asset strategy which, in the opinion of the Determination Agent, correlates with that of the Affected Fund Interest (taken together, in the case of a substitution of the Affected Fund Interest, with more than one funds);

(2) permit investors to subscribe for, sell to, or redeem the relevant shares, units or interests (howsoever expressed) therein on each fund business day at a value equal to the net asset value (howsoever described in the relevant fund documents) for such day by giving no more than two fund business days' notice and without the imposition of any subscription, sale, transfer or redemption fees, taxes or other charges (howsoever described) by such fund in respect of such subscription, sale or redemption, provided any such investor gives notice in accordance with the relevant procedures prescribed by the fund;

(3) have an equivalent liquidity profile to the Affected Fund Interest and have a Fund Reporting Date falling no later than close of business on the second Fund Business Day immediately following the relevant Fund Valuation Date;

(4) have a similar fee structure (including as to any rebate) to the Affected Fund Interest; and

(5) have an aggregate net asset value of at least 100,000,000 U.S. Dollars (or its equivalent in the Fund Interest Currency) or such other amount as specified in the applicable Pricing Supplement as the Successor Fund Interest Minimum Aggregate NAV (or its equivalent in the Fund Interest Currency).

(B) the Affected Fund Interest shall be replaced by a number of units of the Successor Fund Interest with a combined value (as determined by the Determination Agent) equal to the relevant Removal Value of the applicable number of units of the Affected Fund Interest. Such replacement shall be effected, from time to time whenever the Removal Value changes, on the date, as determined by the Determination Agent, on which the Fund issuing the Successor Fund Interest would admit a Hypothetical Investor who, on the Fund Business Day next following the date on which any Removal Value not previously applied toward any Successor Fund Interest would be received by such Hypothetical Investor redeeming out of the relevant amount of Affected Fund Interest, had submitted a valid order to purchase such amount of the Successor Fund Interest; and

(C) if necessary, the Determination Agent will adjust any relevant terms, including, but not limited to adjustments to account for changes in the Fund Interest Currency, the Frequency of Fund Interest Valuations, volatility, investment strategy or liquidity relevant to such Fund Interests or the Notes.

15.5 *Notice of Fund Event*

Notice of the consequences of a Fund Event shall be given to the Noteholders in accordance with Condition 35.10 (*Notices*). Such notice shall (a) identify the Affected Fund Interest (if applicable) and the relevant Fund Event and contain a summary of the facts constituting such event, (b) if applicable, identify the Successor Fund Interest and specify the effective date of such substitution, (c) if applicable, specify adjustments made or expected to be made by the Determination Agent and (d) if applicable, specify the date on which the Notes are to be redeemed.

15.6 *Definitions applicable to Fund-Linked Notes*

In relation to Fund-Linked Notes, the following expressions shall have the meanings set out below:

"**Affected Fund Interest**" means, at any time, any Fund Interest in respect of which the Determination Agent has determined that a Fund Event has occurred;

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person (for such purposes, "**control**" of any entity or person means ownership of a majority of the voting power of the entity or person);

"**Averaging Date**" means, in respect of each Reference Date, either:

(a) in the case of a Single Fund Note; or (b) a Fund Basket Note, where the applicable Pricing Supplement provides that "Individual Fund Business Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Pricing Supplement, or, if such date is not a Fund Business Day, the next following Fund Business Day for such Fund or Basket Component (as the case may be); or

(b) in the case of a Fund Basket Note, where the applicable Pricing Supplement provides that "Common Fund Business Days and Common Disrupted Days" or "Common Fund Business Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Pricing Supplement, or if any such date is not a Common Fund Business Day, the next following Common Fund Business Day for such Basket of Funds,

provided that if any such day is a Disrupted Day, the Averaging Date shall be determined in accordance with the provisions of Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Basket Component**" means, in relation to a particular Series of Fund Basket Notes, each Fund Interest comprised in the relevant Basket of Funds;

"**Basket of Funds**" means a basket composed of such Fund Interests in such Funds specified in the applicable Pricing Supplement in the relative proportions or number of units of each Fund Interest specified in the applicable Pricing Supplement, subject to the provisions of Condition 15.4 (*Fund Events*);

"**Common Fund Business Day**" means, in respect of a Fund Basket Note, each day which is a Fund Business Day for all the Basket Components;

"**Common Valid Date**" means, in respect of a Fund Basket Note, a Fund Business Day that is not a Disrupted Day for any Basket Component and on which another Averaging Date in respect of the relevant Reference Date does not or is deemed not to occur;

"**Cut-off Period**" means, in respect of any date, the period specified in the applicable Pricing Supplement, or if no such period is specified, a period of the shorter of (a) eight Fund Business Days or, in the case of a Fund Basket Note, eight Common Fund Business Days; and (b) three months; provided that if a "Final Cut-off Date" is specified in the applicable Pricing Supplement, then any Cut-off Period that would otherwise end after such Final Cut-off Date shall end on such Final Cut-off Date;

"**Determination Date**" means, in relation to any determination, each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Fund Business Day and/or (ii) a Disrupted Day, the relevant Determination Date shall be determined in accordance with the provisions of Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Disrupted Day**" means any day on which a Disruption Event has occurred or is continuing;

"**Disruption Event**" means any of the following events as determined by the Determination Agent:

(a) in respect of any Fund Interest, the failure of (i) a Scheduled Fund Valuation Date to be a Fund Valuation Date or any continued postponement or suspension of such Fund Valuation Date; and/or (ii) there to be a Fund Reporting Date and/or Reported Net Asset Value relating to the relevant Fund Valuation Date;

(b) in respect of any Fund Interest (i) there is a failure by the Fund to pay the full amount (whether expressed as a percentage or otherwise) of the Redemption Proceeds in the Fund Interest Currency with respect to the relevant amount of such Fund Interest scheduled to have been paid on or by such day according to the Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of such Fund Interests) or (ii) a Hypothetical Investor which had submitted a valid redemption notice in respect of such Fund Interest (in the case of a Single Fund Note) or each Fund Interest comprised in the Basket of Funds (in the case of a Fund Basket Note) on the last date permitted pursuant to the relevant Fund Documents would, in the reasonable opinion of the Determination Agent, not have received in full the Redemption Proceeds in respect of such redemption(s) on or before the date which is three Business Days prior to a related scheduled date for payment under the Notes;

(c) the inability (including by reason of illegality) of, or the impracticability for, a Hedging Party to (i) unwind or dispose of any transaction it has entered into, or any asset it holds, in either case for the purpose of hedging its exposure to price variations of the Fund Interest (in the case of Single Fund Notes) or the Basket of Funds (in the case of Fund Basket Notes) inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an Affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Fund Interest (in the case of Single Fund Notes) or the Basket of Funds (in the case of the Fund Basket Notes) under the Notes when scheduled or at all (including any change to the notice period for redemptions, transfers or subscriptions of a Fund Interest under the Fund Documents, any gating, side-pocketing or other arrangement affecting such a Hedging Party), or (ii) realise, recover or remit to any person the proceeds of any such transaction or asset; and/or

(d) any closure other than for ordinary public holidays and/or any restriction or suspension in trading of foreign exchange markets or money markets in a relevant Fund Interest Currency or Specified Currency that, in the opinion of the Determination Agent, would have a material effect on the ability market participants to effect transactions in such markets,

provided that if any event would otherwise be both a Disruption Event and Fund Event, such event shall be treated solely as a Fund Event;

"**Exchange**" means, in respect of a Fund Interest, the principal exchange or quotation system for such Fund Interest, as determined by the Determination Agent, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which the Fund Interest has temporarily relocated;

"**Extraordinary Dividend**" means an amount per relevant Fund Interest specified or otherwise determined by the Determination Agent;

"**Final Cut-off Date**" means the date specified as such in the applicable Pricing Supplement;

"**Frequency of Fund Interest Valuation**" means, in respect of a Fund Interest, the frequency of occurrence of a Fund Business Day for such Fund Interest as determined by reference to the Fund Documents in effect on the Trade Date;

"**Fund**" means, in respect of any Fund Interest, the issuer of, or other legal arrangement (including, if applicable, any relevant class or series) giving rise to, the relevant Fund Interest as specified in the applicable Pricing Supplement;

"**Fund Administrator**" means, in respect of any Fund and the related Fund Interest, any fund administrator, manager, trustee or similar person responsible for the administration of such Fund and the determination and reporting of any official price or value of such Fund according to the Fund Documents or any successor acceptable to the Determination Agent;

"**Fund Advisor**" means any person appointed in the role of discretionary investment manager or non-discretionary investment advisor (including a non-discretionary investment advisor to a discretionary investment manager or to another non-discretionary investment advisor) for such Fund and/or a Fund Administrator and/or any other person(s) designated in the Fund Documents as responsible for the oversight of the Fund, or any successor to any such person acceptable to the Determination Agent;

"**Fund Business Day**" means, in respect of any Fund Interest and the related Fund, either (a) where the Reference Price for such Fund Interest is "Reported Net Asset Value", each of a Scheduled Fund Valuation Date and any day on which the Fund or the primary Fund Administrator acting on behalf of the Fund is scheduled to effect subscription and redemption requests or (b) where the Reference Price for such Fund Interest is "Redemption Proceeds", a Scheduled Redemption Valuation Date;

"**Fund Documents**" means, in respect of any Fund and the related Fund Interest, the constitutive and governing documents, subscription agreements and other agreements of the related Fund specifying the terms and conditions relating to such Fund Interest (including, without limitation, the prospectus, information memorandum or other offering document issued by such Fund in connection with such Fund Interest), in each case and unless where otherwise specified, as amended and/or supplemented from time to time;

"**Fund Event**" means in the determination of the Determination Agent, the occurrence or announcement by the Fund or a Fund Service Provider at any time of any of the following events unless any such event is specified in the applicable Pricing Supplement as a Non-Applicable Fund Event:

(a) *Nationalisation*: in respect of a Fund Interest and the related Fund, all the Fund Interests or all or substantially all the assets of the Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

(b) *Fund Insolvency Event*: in respect of a Fund Interest and the related Fund (i) the Fund and/or any Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such

regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (A) through (E) above; or (without prejudice to the foregoing) (ii) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (A) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Fund Interests of that Fund become legally prohibited from transferring them;

(c) *NAV Trigger/Restriction Event*: in respect of any Fund Interest, (A) the Reported Fund Interest Value as of the last Fund Valuation Date of any month has decreased by a percentage equal to, or greater than, fifty per cent. of the Reported Fund Interest Value as of the Fund Valuation Date of the same month in the immediately preceding calendar year (or, if the first year of operation of the relevant Fund Interest, as of its highest Reported Fund Interest Value on the last Fund Valuation Date of any month during such first year); or (B) the related Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;

(d) *Fund Advisor Event:* in respect of any Fund Interest, as determined by the Determination Agent, (a) that at any time after the Trade Date, the total value of the assets managed by the relevant Fund Adviser (including in relation to the Fund) is equal to or less than 50,000,000 U.S. Dollars (or its equivalent) or (b) that over any period of twelve months, the total value of the assets managed by the relevant Fund Adviser (including in relation to the Fund) has decreased by fifty per cent. (whether due to redemptions or decrease in the value of such assets or otherwise) (c) any material breach by the Fund Adviser (or any of its Affiliates) of any Relevant Hedging Transaction between it and a Hedging Party;

(e) *Changes to Fund or Fund Service Providers*: in respect of any Fund Interest and the related Fund: (i) any change in the organisation of the Fund or of any Fund Service Provider without the prior written consent of the Determination Agent including, without limitation, a change of control of, or a change of the main shareholders, managing directors or individual(s) designated as fund manager(s) in the Fund Documents as at the Trade Date (if any) of a Fund Service Provider, (ii) any Fund Service Provider ceasing to act in the relevant capacity in relation to the Fund unless immediately replaced in such capacity by a successor acceptable to the Determination Agent or (iii) any delegation or transfer by the Fund Advisor of any of its powers, duties or obligations under the Fund Documents to a third party without the prior written consent of the Determination Agent;

(f) *Fund Modification*: in respect of any Fund Interest, any change, modification or termination of the related Fund Documents or of any rights attaching to the related Fund Interests (including without limitation any change or modification affecting management policy, the Fund Interest Currency, the Frequency of Fund Interest Valuation, the terms relating to subscription, transfer and/or redemption of such Fund Interest including any change to the form or schedule of payment or notice period) from those prevailing on the

Trade Date (in the case of Single Fund Notes) or the date on which any Fund Interest issued by such Fund was first included in the Basket of Funds (in the case of Fund Basket Notes) and which could reasonably be expected to affect the value of such Fund Interest;

(g) *Strategy Breach*: in respect of any Fund Interest, as determined by the Determination Agent, any material breach of or non-compliance with any investment objective, investment restrictions or other strategy or investment guidelines or requirements, subscription and redemption provisions (including, without limitation, the days treated as Fund Business Days) or valuation provisions (including, without limitation, the method of determining the net asset value of the relevant Fund Interest), in each case as set out in the Fund Documents as in effect on the Trade Date or, if later, the date on which such Fund Interest was first included in the Basket of Funds (in the case of Fund Basket Notes);

(h) *Breach by Fund Service Provider*: in respect of any Fund Interest, the breach by any relevant Fund Service Provider of any obligation (including, without limitation, non-compliance with any investment guidelines relating to such Fund Interest), representation or warranties concerning the relevant Fund (including, without limitation, pursuant to any agreement with the Fund), which breach, if capable of remedy, has not been remedied within ten (10) calendar days of its occurrence;

(i) *Regulatory Event*: (A) in respect of any Fund Interest, (1) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund Advisor that is reasonably likely to have an adverse impact on the value of such Fund Interest or on any investor therein (as determined by the Determination Agent) or (2) the related Fund or any of its Fund Service Providers becoming subject to any investigation, proceeding, arbitration, litigation or official action by any relevant governmental, legal or regulatory authority involving the alleged violation of, or non-compliance with, applicable law or regulation in relation to any activities relating to or resulting from the operation of such Fund or another fund where, in the opinion of the Determination Agent, such circumstances may have an adverse effect on the relevant Fund or (B) any event which would have the effect of: (i) imposing on the Issuer and/or any Affiliate or adversely modifying any reserve, funding arrangement, special deposit, or similar requirement that would be applicable to the Issuer and/or such Affiliate in relation to the Notes or any related hedging arrangement or (ii) changing the amount or cost of regulatory capital that would have to be maintained by the Issuer and/or any Affiliate in relation to the Notes or any related hedging arrangement, including, without limitation, any requirement under applicable law, regulation or other rule or requirement from time to time applicable to the Issuer and/or any Affiliate that requires any information-provision or other transparency requirements in respect of a Fund Interest, whether to keep constant the cost of regulatory capital that would have to be maintained by any such person in relation to the Notes or otherwise comply therewith, and the relevant Fund Service Provider fails to provide sufficient information in respect of a Fund Interest for any such person to satisfy such relevant obligations or (C) in respect of any Fund Interest and the related Fund (i) the withdrawal, cancellation, suspension or revocation of any registration, licence or approval of such Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund; (ii) the withdrawal, suspension, cancellation or modification of any licence, consent, permit, authorisation or clearance required for the Fund or any one or more of its significant Fund Service Providers to carry out their activities as they are or should be carried out in compliance with applicable law or regulation; and/or (iii) the failure of such Fund Interest and/or the related Fund to comply with any applicable requirements from time to time applied by any relevant listing authority, stock exchange, quotation system and/or regulator that allow it to be used to determine amounts due under the Notes (or, in the case of (C)(i), (ii) or (iii), any official announcement indicating that any such circumstances may occur);

(j) *Reporting Disruption*: in respect of any Fund Interest, (A) the occurrence of any event affecting such Fund Interest that, in the determination of the Determination Agent, would make it impossible or impracticable for the Determination Agent to determine the value of such Fund Interest and the Determination Agent does not expect such event to cease in the foreseeable future; (B) any failure of the related Fund to deliver, or cause to be delivered, or recipients in general to receive (1) information that such Fund has agreed to

deliver, or cause to be delivered to the Determination Agent, the Issuer and/or any Hedging Party, as applicable, or (2) information that has been previously delivered to the Determination Agent, the Issuer and/or any Hedging Party, as applicable, in accordance with such Fund's, or its authorised representative's, normal practice and that the Determination Agent deems necessary for it or the Issuer, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Interest; (C) the related Fund ceases, for any reason whatsoever (either directly or through any Fund Service Provider acting on its behalf for this purpose) to provide, publish or make available its net asset value on any Fund Reporting Date; or (D) a Fund Service Provider informs the Determination Agent, the Issuer and/or any Hedging Party that any Reported Net Asset Value of such Fund Interest should not be relied on (whether by reason of it being only a provisional or estimated net asset value or for any other reason) and/or, in the opinion of the Determination Agent, any Reported Net Asset Value is inaccurate (which, for the avoidance of doubt, includes without limitation circumstances where any net asset value reported by a Fund Service Provider to the Issuer, any Hedging Party and/or investors in Fund Interest generally differs from any net asset value published on any one or more publishing service), in each case which the Determination Agent considers to be material to the Notes;

(k) *Compulsory Redemption or Assignment*: in respect of any Fund Interest, (i) the repurchase or redemption by the Fund of all or some of the Fund Interests otherwise than at the request of a holder of Fund Interests; or (ii) any event or circumstance (whether or not in accordance with the constitutive documents and investment guidelines of the Fund) which would mandatorily oblige a holder of Fund Interests to redeem, sell, assign or otherwise dispose of any Fund Interests and which the Determination Agent determines could affect a Hypothetical Investor;

(l) *Closure to Subscriptions*; Dealing Restrictions: in respect of any Fund Interest, (A) the closure of the related Fund to new subscriptions of Fund Interests, or (B) the imposition of any dealing restrictions (including, without limitation, material amendments to relevant documentation, delay (partial or otherwise), suspension or termination (partial or otherwise) of subscription, redemption or settlement) relating to the Fund or transactions in Fund Interests by any Fund Service Provider, any Affiliate or agent of any Fund Service Provider, or any intermediary platform through which the Issuer or its Affiliates may contract (via a trading agreement or otherwise) in order to carry out transactions in Fund Interests;

(m) *Disposals*: *Material Change*: Merger: in respect of any Fund Interest, (A) a disposal to any person(s) of all, or a material part, of the assets of (x) the related Fund, or (y) any significant Fund Service Provider; or (B) a material change in the business of the Fund or any significant Fund Service Provider, or (C) the merger, amalgamation or consolidation of the related Fund and/or such Fund Interest with (x) any other sub-fund or compartment of the Fund or (y) any other collective investment undertaking (or sub-fund or compartment of such other collective investment undertaking, including another fund), which, in either case, may, in the determination of the Determination Agent, have an adverse effect on the Fund;

(n) *Hedging Disruption*: *any of the following*:

(i) the Determination Agent reasonably determines that the Issuer or any Affiliate (a "**Hedging Party**") is unable (including without limitation by reason of illegality), or that it is impracticable for a Hedging Party, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) (each a "**Relevant Hedging Transaction**") such Hedging Party deems necessary or appropriate to hedge its exposure to price variations of the Fund Interest (in the case of Single Fund Notes) or the Basket of Funds (in the case of Fund Basket Notes) inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an Affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Fund Interest (in the case of Single Fund Notes) or the

Basket of Funds (in the case of Fund Basket Notes) under the Notes, or (B) realise, recover or remit to any person the proceeds of such transaction or asset; and/or

(ii) the Determination Agent reasonably determines that it has become illegal for any Hedging Party to hold, acquire or dispose of Fund Interests relating to the Notes; and/or

(iii) the Determination Agent reasonably determines that the Issuer would incur an increased cost in respect of the Relevant Hedging Transactions related to the performance of its obligation under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); and/or

(iv) the Determination Agent reasonably determines that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Relevant Hedging Transaction, or (B) realise, recover or remit the proceeds of any such Relevant Hedging Transaction; unless any such materially increased amount is incurred solely due to the deterioration of the creditworthiness of the Hedging Party,

(v) and such determinations by the Determination Agent may include, but are not limited to, the following: (A) any increased illiquidity in the market for the Fund Interest (in the case of Single Fund Notes) or the Basket of Funds (in the case of Fund Basket Notes) (as compared with circumstances existing on the Trade Date); or (B) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or (C) the general unavailability of market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms;

(o) *Fraud*: in respect of any Fund Interest and the related Fund, the Fund is the object of a material fraud which may, in the determination of the Determination Agent, have an adverse effect on the Fund or the value of Fund Interests; or any act or omission of a Fund Service Provider constitutes fraud (including, but not limited to, theft, misappropriation, mispricing of holdings or concealment of trades), bad faith, wilful misconduct or negligence, as determined by the Determination Agent in its reasonable discretion;

(p) *Force Majeure Event*: in respect of any Fund Interest and the related Fund, any Fund Service Provider fails to perform any of its obligations pursuant to the Fund Documents to the extent that such performance is prevented, hindered or delayed by a Force Majeure Event, where "**Force Majeure Event**" means any event due to any cause beyond the reasonable control of the applicable Fund Service Provider, such as unavailability of communications system, failure of or interruptions in power supply or network computer systems, sabotage, fire, flood, explosion, acts of God, civil commotion, riots, insurrection or war;

(q) *Value Limitation*: the value of any Fund Interest held by the Issuer and its Affiliates is greater than 10 per cent. of the aggregate net asset value of the relevant Fund (whether or not all of such holding results from hedging transactions entered into in connection with the Notes) and including, where the excess holding results from a reduction in the aggregate net asset value of the relevant Fund;

(r) *Delisting*: in respect of a Fund Interest, where there is or was intended to be an Exchange in respect of such Fund Interest that (A) such Exchange announces that pursuant to the rules of such Exchange, such Fund Interests cease (or will cease) being listed or publicly quoted on the Exchange for any reason and are not immediately re listed or re quoted on an exchange or quotation system located in the same country as the Exchange (or, where

the Exchange is within the European Union, in any Member State of the European Union), or (B) such Fund Interests are never so listed or quoted as intended and disclosed in the Fund Documents as at the Trade Date;

(s) *Fund Accounting Event*: in respect of a Fund Interest and the related Fund, any (i) change in the currency in which the Fund Interest's accounts are denominated; or (ii) material adverse change in the accounting treatment of the Fund which does or could affect a Hypothetical Investor and/or a Hedging Party and/or any actual or potential requirement to consolidate its accounts with any such entity;

(t) *Fees or Charges Event*: in respect of a Fund (i) any charge of a transaction fee for subscription or redemption of Fund Interests; (ii) any imposition of any taxes or similar charges for subscription or redemption of Fund Interests (whether by the Fund or a Fund Adviser in respect of holders of Fund Interests generally or otherwise occurring in respect of any Hedging Party) and/or (iii) any material change in the applicable fee arrangement between a Fund Adviser and a Hedging Party (as compared with that arrangement as of the Trade Date), including the increase to the existing level of, or introduction of any new, fees, commissions or other expenses payable to any person, in each case as determined by the Determination Agent; and/or

(u) *Additional Fund Event*: any other event(s) specified as Fund Events in the applicable Pricing Supplement;

"**Fund Event Notice**" has the meaning given to that term in Condition 15.4 (*Fund Events*);

"**Fund Interest**" means, in respect of a Fund, a share, unit or other interest in respect of such Fund, as specified in the applicable Pricing Supplement;

"**Fund Interest Currency**" means, in respect of a Fund Interest, the currency in which such Fund Interest is denominated on the Trade Date as set out in the Fund Documents;

"**Fund Reporting Date**" means, in respect of a Fund Interest and a Fund Valuation Date, the date on which the Reported Fund Interest Value of such Fund Interest as determined as of such Fund Valuation Date is reported (as provided in the definition of Reported Fund Interest Value);

"**Fund Service Provider**" means, in respect of a Fund, any person who is appointed to provide services, directly or indirectly, to that Fund, whether or not specified in the Fund Documents or any successor acceptable to the Determination Agent, including without limitation any Fund Adviser, Fund Administrator, operator, management company, depositary, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent;

"**Fund Valuation Date**" means, in respect of a Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) determines the value of such Fund Interest or, if the related Fund only reports its aggregate net asset value, the date as of which such Fund determines its aggregate net asset value;

"**Hedging Party**" has the meaning given in the definition of "**Fund Event**" above;

"**Hypothetical Investor**" means, in respect of a Fund Interest, a hypothetical investor in such Fund Interest deemed to have (a) the benefits and obligations, as provided under the Fund Documents, of an investor holding, as of the Trade Date, an interest in the relevant Fund in an amount equal to the relevant number of relevant amount of such Fund Interest; (b) in the case of any deemed redemption of such Fund Interest, to have submitted to the relevant Fund on the relevant Redemption Notice Date, a duly completed notice requesting redemption of the relevant number of such Fund Interests; and (c) in the case of any deemed investment in such Fund Interest, to have submitted, on the Trade Date, a duly completed notice to the relevant Fund, requesting subscription to the relevant number of Fund Interests;

"**Observation Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Fund Business Day and/or (ii) a Disrupted Day, the

relevant Observation Date shall be determined in accordance with the provisions of Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Potential Adjustment Event**" means, in respect of any Fund Interest, any of the following events in the determination of the Determination Agent:

(a) a subdivision, consolidation or reclassification of the relevant amount of Fund Interest, or a free distribution or dividend of any such Fund Interest to existing holders by way of bonus, capitalisation or similar issue;

(b) a distribution, issue or dividend to existing holders of the relevant Fund Interest of (A) an additional amount of such Fund Interest, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Fund equally or proportionately with such payments to holders of such Fund Interest, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Fund as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Determination Agent;

(c) an Extraordinary Dividend;

(d) a repurchase by the Fund of relevant Fund Interests whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interests initiated by an investor in such Fund Interests; or

(e) any other event having, in the opinion of the Determination Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Fund Interests;

"**Redemption Notice Date**" means, in respect of a Fund Interest and a Reference Date or Averaging Date, the date specified as such in the applicable Pricing Supplement or, if no date is so specified, the last date on which a Hypothetical Investor in such Fund Interest would be permitted, pursuant to the Fund Documents of the related Fund, to submit a redemption notice that would be timely for a redemption as of the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Reference Date or Averaging Date;

"**Redemption Proceeds**" means, in respect of the relevant amount of any Fund Interest, the redemption proceeds that in the determination of the Determination Agent would be paid by the related Fund to a Hypothetical Investor who, as of the relevant Redemption Valuation Date, redeems such amount of Fund Interest (for the avoidance of doubt after deduction of any tax, levy, charge, assessment or fee of any nature that, in the determination of the Determination Agent, would (or would be very likely to) be withheld or deducted from such amount); provided that (a) any such proceeds that would be paid in property other than cash shall be deemed to have a value of zero and (b) if the Hypothetical Investor would be entitled to elect payment of such redemption proceeds to be made either in the form of cash or other property, then the Hypothetical Investor shall be deemed to have elected cash payment;

"**Redemption Valuation Date**" means, in respect of a Fund Interest and any Scheduled Redemption Valuation Date, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) determines the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid notice for redemption on or before the related Redemption Notice Date;

"**Reference Date**" means, for the purposes of Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*), each Valuation Date, Observation Date, Strike Date or Determination Date (as applicable) specified in the applicable Pricing Supplement, or otherwise, any date construed to be a Reference Date in accordance with the Conditions;

"**Reference Price**" means, in respect of a Fund Interest and the Valuation Time on any Valuation Date or Averaging Date, either (a) where "Reported Net Asset Value" is specified in the applicable Pricing Supplement for such Fund Interest, the Reported Net Asset Value of such Fund Interest for the related Fund Valuation Date falling on such Reference Date or Averaging Date, as the case may be; or (b) where "Redemption Proceeds" is specified in the applicable Pricing Supplement for such Fund Interest, an amount equal to the Redemption Proceeds relating to such Fund Interest that in the determination of the Determination Agent would be received by a Hypothetical Investor in such Fund Interest in respect of a redemption of Fund Interests to be effected as of the Scheduled Redemption Valuation Date relating to such Reference Date or Averaging Date, as the case may be;

"**Removal Value**" means, in respect of an Affected Fund Interest, the value calculated by the Determination Agent in the same manner as would be used in determining the Reference Price of Fund Interests in the related Fund, but assuming where the Reference Price is Redemption Proceeds that a valid notice requesting redemption of Fund Interests in such Fund has been submitted to such Fund on the Fund Business Day next following delivery of the relevant Fund Event Notice and, where the Removal Value is required to be converted into the Specified Currency or the currency of the Successor Fund Interest it shall be so converted by the Determination Agent at such time and by reference to such sources as it deems appropriate;

"**Reported Net Asset Value**" means, in respect of any Fund Interest and a Fund Reporting Date relating to such Fund Interest, the official net asset value per Fund Interest as of the related Fund Valuation Date or, if the related Fund reports only its aggregate net asset value, the portion of such Fund's aggregate net asset value relating to a Fund Interest as of the related Fund Valuation Date, in each case as reported on the Fund Reporting Date relating to such Fund Valuation Date by the Fund Service Provider that generally reports such value on behalf of the Fund to its investors or a publishing service;

"**Scheduled Averaging Date**" means an original date (following any adjustment (if applicable) pursuant to paragraph (a) or (b) in the definition of "Averaging Date") that, but for such day being a Disrupted Day, would have been an Averaging Date;

"**Scheduled Fund Valuation Date**" means, in respect of a Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the value of such Fund Interest or, if the related Fund only reports its aggregate net asset value, the date as of which such Fund determines its aggregate net asset value;

"**Scheduled Redemption Payment Date**" means, in respect of a Fund Interest and any Scheduled Redemption Valuation Date, the date by which the related Fund is scheduled to have paid, according to its Fund Documents, all or a specified portion of the Redemption Proceeds to an investor that has submitted a timely and valid notice requesting redemption of such Fund Interest as of such Scheduled Redemption Valuation Date;

"**Scheduled Redemption Valuation Date**" means, in respect of a Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of such Fund Interest for the purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date; the Scheduled Redemption Valuation Date relating to any Reference Date or Averaging Date, as the case may be, shall be the date specified as such in the applicable Pricing Supplement or, if no such date is specified, the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Reference Date or Averaging Date, as the case may be;

"**Scheduled Reference Date**" means, for the purposes of Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*), any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Reference Date;

"**Strike Date**" means such date as specified in the applicable Pricing Supplement, provided that if any such date is (i) not a Fund Business Day and/or (ii) a Disrupted Day, the relevant Strike Date shall be determined in accordance with the provisions of Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Valid Date**" means a Fund Business Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Reference Date does not or is not deemed to occur;

"**Valuation Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Fund Business Day and/or (ii) a Disrupted Day, the relevant Valuation Date shall be determined in accordance with the provisions of Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*); and

"**Valuation Time**" means the time on or in respect of the Reference Date or Averaging Date at which the applicable Reference Price is scheduled to be determined in accordance with the Fund Documents.

16. **Provisions relating to Futures Contract-Linked Notes**

This Condition 16 (*Provisions relating to Futures Contract-Linked Notes*) is applicable only in relation to Notes specified in the applicable Pricing Supplement as being Single Futures Contract-Linked Notes or Futures Contract Basket-Linked Notes.

16.1 *Reference Dates, Averaging Dates and Market Disruption*:

(a) If a Reference Date is not a Scheduled Trading Day, the relevant Reference Date shall be the next succeeding Scheduled Trading Day or, if either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, the next succeeding Common Scheduled Trading Day.

(b) Subject to Condition 16.1(d) (*Reference Dates, Averaging Dates and Market Disruption*) below, if any Scheduled Reference Date is a Disrupted Day, then:

(i) in the case of a Single Futures Contract-Linked Note, the relevant Reference Date shall be the earlier of (i) the first succeeding Scheduled Trading Day that is not in the determination of the Determination Agent a Disrupted Day and (ii) the Reference Cut-Off Date (notwithstanding that such Scheduled Trading Day is a Disrupted Day).

(ii) in the case of a Futures Contract Basket-Linked Note:

(A) where "Individual Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:

(1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and

(2) the Reference Date for any Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an "**Affected Basket Component**") shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component; and (B) the Reference Cut-Off Date for such Affected Basket Component

(notwithstanding that such day may not be a Scheduled Trading Day).

(B) where "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then the Reference Date for each Basket Component shall be the earlier of (i) the first Common Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day with respect to any Basket Component; and (ii) the Reference Cut-Off Date (notwithstanding that such day may not be a Common Scheduled Trading Day).

(C) where "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:

(1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and

(2) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an "**Affected Basket Component**") shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component; and (B) the Reference Cut-Off Date for such Affected Basket Component (notwithstanding that such day may not be a Common Scheduled Trading Day or a Scheduled Trading Day).

(iii) in the case of any Single Futures Contract-Linked Note or Futures Contract Basket-Linked Note (as the case may be), where a Reference Date falls on the relevant Reference Cut-Off Date pursuant to Condition 16.1(b)(ii), then:

(A) if such Reference Cut-Off Date is not a Disrupted Day for such Single Futures Contract-Linked Note or Futures Contract Basket-Linked Note (as the case may be), the Determination Agent shall determine the value of such Futures Contract as at the Determination Time on such Reference Cut-Off Date; or

(B) if such Reference Cut-Off Date is a Disrupted Day, in respect of Single Futures Contract-Linked Notes and Futures Contract Basket-Linked Notes, the Determination Agent shall determine, in its reasonable discretion, its good faith estimate of the value for such Futures Contract as of the Determination Time on such Reference Cut-Off Date.

(c) Subject to Condition 16.1(d) (*Reference Dates, Averaging Dates and Market Disruption*) below, if Averaging Dates are specified in the applicable Pricing Supplement as being applicable, then, notwithstanding any other provisions of these Conditions (other than Condition 16.1(d) (*Reference Dates, Averaging Dates and Market Disruption*)), the following provisions will apply to the valuation of the relevant Futures Contract in relation to the relevant Reference Date:

(i) If, in respect of a Single Futures Contract-Linked Note, a Scheduled Averaging Date is determined by the Determination Agent to be a Disrupted Day, then if,

in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is:

(A) "**Omission**", then such date will be deemed not to be a relevant Averaging Date in respect of such Reference Date for the purposes of determining the relevant level, price, value or amount provided that, if through the operation of this provision no Averaging Date would occur with respect to the relevant Reference Date, then Condition 16.1(b) (*Reference Dates, Averaging Dates and Market Disruption*) will apply for purposes of determining the relevant level, price, value or amount on the final Averaging Date in respect of that Reference Date as if such final Averaging Date were a Reference Date that was a Disrupted Day;

(B) "**Postponement**", then Condition 16.1(b) (*Reference Dates, Averaging Dates and Market Disruption*) above will apply for the purposes of determining the relevant level, price, value or amount on that date as if such date were a Reference Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the relevant Notes; or

(C) "**Modified Postponement**", then the Averaging Date shall be the earlier of (I) the first Valid Date following the Scheduled Averaging Date and (II) the Averaging Cut-Off Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date.

(ii) If, in respect of a Futures Contract Basket-Linked Note, a Scheduled Averaging Date in respect of a Reference Date is determined by the Determination Agent to be a Disrupted Day in respect of any Basket Component, then:

(A) where "Individual Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Omission":

(c) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(d) such date shall not be an Averaging Date in respect of such Reference Date for any Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**"), provided that if through the operation of this provision there would not be any Averaging Date in respect of such Reference Date for the Affected Basket Component, then the sole Averaging Date for such Affected Basket Component shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component;

(2) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component. Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 16.1(c)(ii)(A)(2)(b) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

(3) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Modified Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Valid Date following the Scheduled Averaging Date in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;

(B) where "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Omission", such date will be deemed not to be a relevant Averaging Date in respect of any Basket Component for the purposes of determining the relevant level, price, value or amount provided that, if through the operation of this provision there would be no Averaging Date in respect of such Reference Date, then the sole Averaging Date for each Basket Component shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day for any Basket Component and (B) the Averaging Cut-Off Date (notwithstanding the fact that such

Averaging Cut-Off Date may not be a Common Scheduled Trading Day);

(2) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Postponement", then the Averaging Date for each Basket Component shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of any Basket Component and (B) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day). Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 16.1(c)(ii)(B)(2) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

(3) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Modified Postponement", then the Averaging Date for each Basket Component shall be the earlier of (I) the first Common Valid Date following the Scheduled Averaging Date and (II) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day), irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;

(C) where "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Omission":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) such date shall not be an Averaging Date in respect of such Reference Date for any Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**"), provided that if through the operation of this provision there would not be any Averaging Date in respect of such Reference Date for the Affected Basket Component, then the sole Averaging Date for such Affected Basket Component shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component (notwithstanding the fact that such day may not be a Common Scheduled Trading Day);

(2) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component (notwithstanding the fact that such day not be a Common Scheduled Trading Day). Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 16.1(c)(ii)(C)(2)(b) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

(3) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Modified Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Valid Date (that is a Scheduled Trading Day) following the Scheduled Averaging Date in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;

(iii) If, in respect of any Single Futures Contract-Linked Note or Futures Contract Basket-Linked Note (as the case may be), an Averaging Date falls on the relevant Averaging Cut-Off Date pursuant to Condition 16.1(c)(ii) above:

(A) if such Averaging Cut-Off Date is not a Disrupted Day for such Single Futures Contract-Linked Note or Futures Contract Basket-Linked Note (as the case may be), the Determination Agent shall determine the value of such Futures Contract as at the Determination Time on such Averaging Cut-Off Date; or

(B) if such Averaging Cut-Off Date is a Disrupted Day in respect of Single Futures Contract-Linked Note or Futures Contract Basket-Linked Note (as the case may be), the Determination Agent shall determine, in its reasonable discretion, its good faith estimate of the value for such

Futures Contract as of the Determination Time on such Averaging Cut-Off Date.

(iv) If any Averaging Dates in relation to a Reference Date occur after that Reference Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Interest Payment Date, Maturity Date or (ii) the occurrence of a Futures Contract Adjustment Event or an Additional Disruption Event shall be determined by reference to the last such Averaging Date as though it were that Reference Date.

(d) If in respect of a Futures Contract and a Reference Date, a Scheduled Reference Date or Scheduled Averaging Date is specified to be the "Expiry Date" in the applicable Pricing Supplement and due to the Scheduled Reference Date or Scheduled Averaging Date (as the case may be) being a Disrupted Day (or for any other reason), the final settlement price has been announced and published on or prior to the Scheduled Reference Date or Scheduled Averaging Date (as the case may be), then the Reference Date or Averaging Date (as the case may be) for such Futures Contract shall fall on the Expiry Date and the provisions of Conditions 16.1(b) (*Reference Dates, Averaging Dates and Market Disruption*) and (c) (*Reference Dates, Averaging Dates and Market Disruption*) above shall not apply to such Futures Contract and Scheduled Reference Date or Scheduled Averaging Date (as the case may be).

(e) If an event or circumstance that would otherwise constitute or give rise to a Disrupted Day also constitutes a Futures Contract Adjustment Event, the Determination Agent shall determine whether such event or circumstance shall be treated as a Disrupted Day or a Futures Contract Adjustment Event.

16.2 *Administrator/Benchmark Event or Disappearance of Futures Contract or Settlement Price*:

If the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and, on or prior to any Reference Date, (i) an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occurs or (ii) a Disappearance of Futures Contract or Settlement Price occurs, in each case in respect of a relevant Futures Contract, then:

(a) If the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and if an Alternative Pre-nominated Futures Contract has been specified in relation to such Futures Contract in the applicable Pricing Supplement, then:

(i) the Determination Agent shall attempt to determine an Adjustment Payment;

(ii) if the Determination Agent determines an Adjustment Payment,

(A) it shall notify the Issuer of the Adjustment Payment and if the Adjustment Payment is an amount that the Noteholder would (but for Condition 16.2(a)(ii)(C)(2)) be required to pay to the Issuer in respect of each Note, request the Issuer to notify the Determination Agent whether it intends to redeem the Notes pursuant to Condition 16.4(b) (*Redemption*). If the Issuer does not intend to redeem the Notes pursuant to Condition 16.4(b) (*Redemption*) then the following provisions of this Condition 16.2(a) (*Administrator/Benchmark Event or Disappearance of Futures Contract or Settlement Price*) shall apply;

(B) the terms of the Notes shall be amended so that references to the Futures Contract are replaced by references to the Alternative Pre-nominated Futures Contract;

(C) the Conditions shall be adjusted to implement the Adjustment Payment as follows:

(1) if the Adjustment Payment is an amount that the Issuer is required to pay in respect of each Note, the Determination

Agent shall adjust the Conditions to provide for the payment of the Adjustment Payment on the immediately succeeding Interest Payment Date or if there is no such immediately succeeding Interest Payment Date, on the Maturity Date or other date when the Notes are redeemed in full; or

(2) if the Adjustment Payment is an amount that the Noteholder would (but for this Condition 16.2(a)(ii)(C)(2)) be required to pay to the Issuer in respect of each Note, the Determination Agent shall adjust the Conditions to provide for the reduction of the amounts due by the Issuer until the aggregate amount of such reductions is equal to the Adjustment Payment, (subject, in the determination of the Determination Agent, to any minimum redemption amount of the Notes which the Determination Agent determines is required pursuant to any applicable law or regulation (including, without limitation, any tax law) and the rules of each listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation);

(D) the Determination Agent shall make such other adjustments to the Conditions as it determines necessary or appropriate in order to account for the effect of the replacement of the Futures Contract with the Alternative Pre-nominated Futures Contract and/or to preserve as nearly as practicable the economic equivalence of the Notes before and after the replacement of the Futures Contract with the Alternative Pre-nominated Futures Contract; and

(E) the Determination Agent shall notify the Issuer, the Fiscal Agent and the Noteholders of any the replacement of the Futures Contract by the Alternative Pre-nominated Futures Contract, the Adjustment Payment and any other adjustments to the Conditions, giving summary details of the adjustment(s), provided that any failure to give such notice shall not affect the validity of the foregoing.

(iii) If the Determination Agent is unable to determine an Adjustment Payment then Condition 16.4(b) (*Redemption*) shall apply.

(b) If the applicable Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable or, if the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Futures Contract in relation to the relevant Futures Contract, then Condition 16.4(b) (*Redemption*) shall apply.

(c) If it (i) is or would be unlawful at any time under any applicable law or regulation or (ii) would contravene any applicable licensing requirements, in each case for the Issuer, the Determination Agent or the Calculation Agent to perform the actions prescribed in this Condition 16.2 (*Administrator/Benchmark Event or Disappearance of Futures Contract or Settlement Price*) (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time), then Condition 16.4(b) (*Redemption*) shall apply.

16.3 *Futures Contract Adjustment Events*:

If so specified in the Pricing Supplement relating to any Series of Futures Contract-Linked Notes, the following shall constitute "**Futures Contract Adjustment Events**" for the purposes of such Series:

(a) "**Price Source Disruption**", which means (i) the failure of the Futures Contract Sponsor to announce or publish the Settlement Price (or the information necessary for determining the Settlement Price) or (ii) the failure by the relevant Exchange to publish the Settlement Price;

(b) "**Trading Restriction**", which means the material suspension of, or the material limitation imposed on, trading in (i) the Futures Contract on the Exchange or (ii) any relevant Futures Contract Underlier(s).

(c) "**Disappearance or Non-commencement of Futures Contract or Settlement Price**", which means (i) the permanent discontinuation of the Futures Contract or of trading in the relevant Futures Contract on the relevant Exchange or (ii) the disappearance or permanent discontinuance or unavailability of a Settlement Price or (iii) trading in the relevant Futures Contract never commenced and, in any such case, no Successor Futures Contract exists provided that the scheduled expiry of a Futures Contract in accordance with the relevant contract specifications shall not constitute the Disappearance or Non-commencement of Futures Contract or Settlement Price;

(d) "**Material Change in Formula**", which means the occurrence since the Trade Date of a material change or modification in the formula for or method of calculating the settlement price or other price of the relevant Futures Contract;

(e) "**Material Change in Content**", which means the occurrence since the Trade Date of a material change or modification in the content, composition or constitution of the relevant Futures Contract;

(f) "**Tax Disruption**", which means the imposition of, change in or removal of an excise, severance, sales, use, value added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Futures Contract (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the relevant level, price, value or amount on the day that would otherwise be a Reference Date from what it would have been without that imposition, change or removal.

(g) "**Change of Exchange**", which means that the Futures Contract is no longer negotiated on the Exchange and/or under a market-standard format as of the Trade Date but is negotiated on an exchange and/or under a format that is not acceptable to the Determination Agent.

(h) "**Illiquidity Event**", which means that in the determination of the Determination Agent, the liquidity of the Futures Contract has decreased significantly since the Trade Date, such decrease of liquidity being likely to have a material impact on any hedging arrangements of the Issuer and/or any of its Affiliates in connection with the Notes.

16.4 *Adjustments for Futures Contract Adjustment Events*:

(a) *Adjustment*:

If a Futures Contract Adjustment Event which is a Price Source Disruption, a Trading Disruption, a Material Change in Formula, a Material Change in Content, a Tax Disruption, a Change of Exchange or an Illiquidity Event occurs, the Determination Agent shall determine if such Futures Contract Adjustment Event has a material effect on the Notes and, if so, subject to Condition 16.4(b) (*Redemption*), shall:

(i) make such adjustments to the Conditions and/or the applicable Pricing Supplement as the Determination Agent determines necessary or appropriate to account for the effect of such Futures Contract Adjustment Event and determine the effective date of each such adjustment; and/or

(ii) substitute such Futures Contract with a new Futures Contract selected by the Determination Agent (which shall be a replacement futures contract using, in the determination of the Determination Agent, the same or a substantially similar formula and method of calculation as used in the calculation of the Futures Contract or a replacement futures contract selected by the Determination Agent in accordance with any other criteria specified in the applicable Pricing Supplement) and make such adjustments (if any) to the Conditions and/or the applicable Pricing Supplement as it deems necessary or appropriate in relation to such substitution. Such new futures contract shall be deemed to be a Futures Contract in place of the Futures Contract the subject of the Futures Contract Adjustment Event.

If the Determination Agent determines that no calculation, adjustment and/or substitution can reasonably be made pursuant to the above, Condition 16.4(b) (*Redemption*) shall apply.

(b) *Redemption*:

If either:

(i) a Futures Contract Adjustment Event which is a Disappearance of Futures Contract or Settlement Price occurs or an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occurs and:

(A) the Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable;

(B) the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Futures Contract;

(C) the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Futures Contract but the Determination Agent is unable to determine the Adjustment Payment;

(D) the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Futures Contract and the Determination Agent determines that the Adjustment Payment would be an amount that the Noteholder would (but for Condition 16.2(a)(ii)(C)(2)) be required to pay to the Issuer in respect of each Note; or

(E) it (a) would be unlawful at any time under any applicable law or regulation or (b) would contravene any applicable licensing requirements, in each case for the Determination Agent to calculate the relevant level, price, value or amount in accordance with Condition 16.4(a) (*Adjustment*); or

(ii) any Futures Contract Adjustment Event (other than a Disappearance of Futures Contract or Settlement Price) occurs and the Determination Agent determines that no calculation, adjustment and/or substitution can reasonably be made pursuant to Condition 16.4(a) (*Adjustment*),

then the Issuer may, at any time thereafter and in its reasonable discretion, determine that the Notes shall be redeemed as of any later date. If the Issuer so determines that the Notes shall be redeemed, then the Issuer shall give not less than five Business Days' notice to the Noteholders to redeem the Notes and upon redemption the Issuer will pay in respect of each Note an amount equal to the Early Redemption Amount.

The Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the redemption, settlement or payment terms of the relevant Notes and/or any other adjustment, which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Fiscal Agent shall provide notice to the Noteholders of any such change or adjustment in accordance with Condition 35.10 (*Notices*), giving summary details of the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

16.5 *Correction of Futures Contract Prices*:

If any settlement price announced by the Futures Contract Sponsor or published by the Exchange and which is utilised by the Determination Agent for any calculation or determination (the "**Original Determination**") under the Notes is subsequently corrected and the correction (the "**Corrected Value**") is published by the Futures Contract Sponsor by such time (the "**Correction Cut Off Time**") as may be specified in the applicable Pricing Supplement (or, if none is so specified, at least 3 Business Days prior to the relevant Interest Payment Date, Maturity Date or any early redemption date of the Futures Contract-Linked Notes), then the Determination Agent will notify the Issuer and the Fiscal Agent of the Corrected Value as soon as reasonably practicable and shall determine the relevant value (the "**Replacement Determination**") using the Corrected Value. If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it determines to be necessary and practicable, the Determination Agent may adjust any relevant terms accordingly.

In the event there is any discrepancy between any settlement price published or announced by the Futures Contract Sponsor and the Exchange any which is used by the Determination Agent for any calculation or determination under the Notes and that is not otherwise corrected pursuant to this Condition 16.5 (*Correction of Futures Contract Prices*), the settlement price selected by the Determination Agent acting in good faith and a commercially reasonable manner shall prevail for the relevant day.

16.6 *Additional Disruption Events*:

(a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Notes shall continue or shall be redeemed early.

(b) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the formula for the Final Redemption Amount, any Interest Amount and/or the relevant level, price, value or amount set out in the applicable Pricing Supplement, the number of Futures Contracts to which each Note relates, the number of Futures Contracts comprised in a Basket of Futures Contracts, the amount, the number of or type of shares, futures contracts or other securities which may be delivered under such Notes and, in any case, any other variable relevant to the redemption, settlement, or payment terms of the relevant Notes and/or any other adjustment (including without limitation, in relation to Futures Contract Basket-Linked Notes, the cancellation of terms applicable in respect of any Futures Contracts affected by the relevant Additional Disruption Event), to account for the economic effect on the Notes of such Additional Disruption Event, which change or adjustment shall be effective on such date as the Determination Agent shall determine.

(c) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's

obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to Early Redemption Amount.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Fiscal Agent and the Determination Agent of the occurrence of an Additional Disruption Event.

(e) For the purposes hereof:

"**Additional Disruption Event**" means with respect to any Series of Futures Contract-Linked Notes any or all of a Change in Law, a Hedging Disruption and an Increased Cost of Hedging, as have been specified in the applicable Pricing Supplement as an applicable Additional Disruption Event with respect to such Notes.

16.7 *Definitions applicable to Futures Contract-Linked Notes*:

In relation to Futures Contract-Linked Notes, the following expressions have the meanings set out below:

"**Adjustment Payment**" means, in respect of any Note, the payment (if any) determined by the Determination Agent as is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value to or from the Issuer as a result of the replacement of a Futures Contract by the Alternative Pre-nominated Futures Contract. The Determination Agent may determine that the Adjustment Payment is zero;

"**Alternative Pre-nominated Futures Contract**" means, in respect of a Futures Contract, the first of the indices, benchmarks or other price sources specified in the applicable Pricing Supplement as an "Alternative Pre-nominated Futures Contract" that is not subject to an Administrator/Benchmark Event;

"**Averaging Cut-Off Date**" means, in the case where Notes relate to a Futures Contract or Basket of Futures Contracts and in respect of a Scheduled Averaging Date for the purposes of Condition 16.1 (*Reference Dates, Averaging Dates and Market Disruption*) the date falling the Specified Number of Scheduled Trading Days or the Specified Number of Common Scheduled Trading Days (as the case may be) following the Scheduled Averaging Date, or if no such number is specified:

(a) if "Common Scheduled Trading Days and Common Disrupted Days" in respect of a Basket of Futures Contracts is specified to be applicable in the Pricing Supplement, the eighth Common Scheduled Trading Day following such Scheduled Averaging Date; or

(b) in any other case, the eighth Scheduled Trading Day following such Scheduled Averaging Date;

"**Averaging Date**" means, in respect of each Reference Date, either:

(a) in the case of (i) a Single Futures Contract-Linked Note or (ii) a Futures Contract Basket-Linked Note where the applicable Pricing Supplement provides that "Individual Scheduled Trading Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Pricing Supplement, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day for such (or the relevant) Futures Contract or Basket Component (as the case may be); or

(b) in the case of a Futures Contract Basket-Linked Note, where the applicable Pricing Supplement provides that either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Pricing Supplement, or if any such date is not a Common Scheduled Trading Day, the next following Common Scheduled Trading Day for such Basket of Futures Contracts,

provided that if any such day is a Disrupted Day, the Averaging Date shall be determined in accordance with the provisions of Condition 16.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Basket**" means in relation to any Futures Contract Basket-Linked Notes, the Futures Contracts specified in the applicable Pricing Supplement as comprising the Basket, in each case in the relative proportions specified in such Pricing Supplement;

"**Basket Component**" means, in relation to a particular Series of Futures Contract Basket-Linked Notes, each Futures Contract comprised in the relevant Basket of Futures Contracts;

"**Basket of Futures Contracts**" means, in relation to a particular Series, a basket comprising the Futures Contracts specified in the applicable Pricing Supplement in the relative proportions specified in such Pricing Supplement;

"**Change in Law**" means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it has become illegal to hold, acquire or dispose of any relevant Futures Contracts, or (y) it will incur a materially increased cost in performing its obligations with respect to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Common Scheduled Trading Day**" means, in respect of a Futures Contract Basket-Linked Note, each day which is a Scheduled Trading Day for all the Basket Components;

"**Common Valid Date**" means, in respect of a Futures Contract Basket-Linked Note, a Common Scheduled Trading Day that is not a Disrupted Day for any Basket Component and on which another Averaging Date does not or is deemed not to occur;

"**Determination Date**" means, in relation to any determination, each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Determination Date shall be determined in accordance with the provisions of Condition 16.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Determination Time**" means, in respect of a Futures Contract, the time at which the Settlement Price is announced or published (or, in the case of a Disrupted Day, scheduled to be announced or published in accordance with the terms of such Futures Contract);

"**Disrupted Day**" means any Scheduled Trading Day on which a Market Disruption Event has occurred or is continuing;

"**Exchange**" means, in respect of a Futures Contract relating to Single Futures Contract-Linked Notes or Futures Contract Basket-Linked Notes, each exchange or quotation system specified as such for such Futures Contract in the applicable Pricing Supplement or, if none is specified, the principal exchange or quotation system for trading in such Futures Contract, as determined by the Determination Agent, and (without prejudice to a Futures Contract Adjustment Event that is a Change of Exchange) any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Futures Contract has temporarily relocated, provided that the Determination Agent has determined that there is comparable liquidity relative to such Futures Contract on such temporary substitute exchange or quotation system as on the original Exchange;

"**Exchange Disruption**" means the Exchange fails to open for trading during any regular trading session that the Determination Agent considers material to the determination of the applicable Settlement Price for the relevant Futures Contract or any other event occurs that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general (i) to effect transactions in, comply with clearing obligations or obtain market values for, the Futures Contract

on the Exchange, or (ii) to effect transactions in, comply with clearing obligations or obtain market values for, the Futures Contract Underlier(s), and in each case the Determination Agent determines that such event is material in relation to the Notes;

"**Expiry Date**" means, in respect of a Futures Contract and each day that is a Reference Date or an Averaging Date, the expiry date of such Futures Contract on which the Futures Contract Sponsor announces, and the Exchange publishes, the "final settlement price" of such Futures Contract;

"**Failure to Announce or Publish**" means (a) the failure by the relevant Futures Contract Sponsor to announce or publish the Settlement Price; or (b) the failure by the relevant Exchange to publish the Settlement Price provided that, if either of (a) or (b) occurs and the Determination Agent determines that the failure of the other announcement or publication to occur is not material for the purposes of the Notes, then such circumstances shall not constitute a Failure to Announce or Publish;

"**Futures Contract**" means any futures contract specified in the applicable Pricing Supplement as a Futures Contract;

"**Futures Contract Sponsor**" means, in respect of a Futures Contract, the corporation or other entity which (a) is responsible for setting and reviewing the contract specifications, rules and procedures and methods of calculations and adjustments, if any, related to such Futures Contract; and (b) announces (directly or through an agent) the settlement price of such Futures Contract on a regular basis;

"**Futures Contract Underlier(s)**" means, in respect of a Futures Contract, the or each index, rate, asset or reference item underlying such Futures Contract as specified in the applicable Pricing Supplement;

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Notes, or (B) realise, recover or remit the proceeds of any such transactions or asset(s);

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

"**Market Disruption Event**" means in respect of a Futures Contract, the occurrence or existence of (i) a Failure to Announce or Publish, (ii) a Trading Disruption, or (iii) an Exchange Disruption;

"**Observation Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Observation Date shall be determined in accordance with the provisions of Condition 16.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Reference Cut-Off Date**" means, in the case where Notes relate to a Futures Contract or a Basket of Futures Contracts and in respect of a Scheduled Reference Date for the purposes of Condition 16.1(b) (*Reference Dates, Averaging Dates and Market Disruption*), the date falling the Specified Number of Scheduled Trading Days or the Specified Number of Common Scheduled Trading Days (as the case may be) following the Scheduled Reference Date, or if no such number is specified:

(a) if "Common Scheduled Trading Days and Common Disrupted Days" in respect of a Basket of Futures Contracts is specified to be applicable in the Pricing Supplement, the eighth Common Scheduled Trading Day following such Scheduled Reference Date; or

(b) in any other case, the eighth Scheduled Trading Day, or, in respect of a Basket of Futures Contract, the eighth Scheduled Trading Day for the Affected Basket Component, following such Scheduled Reference Date;

"**Reference Date**" means, for the purposes of Condition 16.1 (*Reference Dates, Averaging Dates and Market Disruption*), each Valuation Date, Observation Date, Strike Date or Determination Date (as applicable) specified in the applicable Pricing Supplement, or otherwise, any date construed to be a Reference Date in accordance with the Conditions;

"**Relevant Futures Contract Benchmark**" means the Futures Contract or the Futures Underlier;

"**Scheduled Averaging Date**" means an original date (following any adjustment (if applicable) pursuant to paragraph (a) or (b) of the definition of "Averaging Date") that, but for such day being a Disrupted Day, would have been a Reference Date;

"**Scheduled Closing Time**" means in respect of an Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of regular trading session hours;

"**Scheduled Reference Date**" means, for the purposes of Condition 16.1 (*Reference Dates, Averaging Dates and Market Disruption*), any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Reference Date;

"**Scheduled Trading Day**" means any day on which each Exchange is scheduled to be open for trading for their respective regular trading sessions notwithstanding that any such Exchange may close prior to its Scheduled Closing Time;

"**Settlement Price**" means, in respect of a Futures Contract and any day, the official "daily settlement price" or "final settlement price" on such day (in each case, however defined in the contract specifications of such Futures Contract or the relevant Exchange);

"**Specified Number of Scheduled Trading Days**" means the number specified as such in the applicable Pricing Supplement;

"**Specified Number of Common Scheduled Trading Days**" means the number specified as such in the applicable Pricing Supplement;

"**Strike Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Strike Date shall be determined in accordance with the provisions of Condition 16.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Successor Futures Contract**" means, in respect of a Futures Contract, a successor futures contract using, in the determination of the Determination Agent, the same or a substantially similar formula for or method of calculation as used in the calculation of such Futures Contract;

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise relating to the Futures Contract on the Exchange, which the Determination Agent determines to be material in relation to the Notes;

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the Reference Date does not, or is not deemed to, occur; and

"**Valuation Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Valuation Date shall be determined in accordance with the provisions of Condition 16.1 (*Reference Dates, Averaging Dates and Market Disruption*).

17. **Provisions relating to Credit-Linked Notes**

In respect of any Notes ("**Credit-Linked Notes**") for which the Credit-Linked Interest Note Provisions and/or Credit-Linked Redemption Provisions are specified as applicable in the applicable Pricing Supplement, the Conditions shall be supplemented and modified by the terms and conditions set out in the applicable Pricing Supplement.

18. **Provisions relating to ETN-Linked Notes**

In respect of any Notes ("**ETN-Linked Notes**") for which the ETN-Linked Interest Note Provisions and/or ETN-Linked Redemption Provisions are specified as applicable in the applicable Pricing Supplement, the Conditions shall be supplemented and modified by the terms and conditions set out in the applicable Pricing Supplement.

19. **Provisions relating to Preference Share-Linked Notes**

This Condition 19 (*Provisions relating to Preference Share-Linked Notes*) is applicable in respect of any Series of Notes ("**Preference Share-Linked Notes**") where "**Preference Share-Linked Interest Provisions**" and/or "**Preference Share-Linked Redemption Provisions**" are specified in the applicable Pricing Supplement as being applicable.

19.1 *Rate of Interest*

If the Preference Share-Linked Notes bear interest, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

19.2 *Redemption of Preference Share-Linked Notes*

Unless previously redeemed or purchased and cancelled, each Preference Share-Linked Note will be redeemed by the Issuer on the Maturity Date by payment of the Final Redemption Amount specified in the applicable Pricing Supplement.

19.3 *Early Redemption for Taxation Reasons*

If the Preference Share-Linked Notes are redeemed pursuant to this Condition 19.3 (*Early Redemption for Taxation Reasons*) or 19.4 (*Call Option*) (as applicable), each Preference Share-Linked Note shall be redeemed at the Early Preference Share Redemption Note Amount.

19.4 *Call Option*

If Call Option is specified in the applicable Pricing Supplement as being applicable the provisions of Condition 23.8 (*Redemption at the Option of Noteholders*) shall apply to the Preference Share-Linked Notes as if the words "in whole or, if so specified in the applicable Pricing Supplement, in part" in the second and third lines were replaced with the words "in whole (but not in part)".

19.5 *Early Redemption of Preference Share-Linked Notes*

Upon the occurrence of an Early Redemption Event, the Issuer shall, as soon as reasonably practicable following the occurrence of such Early Redemption Event, give notice to the Noteholders in accordance with Condition 35 (*Notices*) and will redeem all (but not some only) of the Preference Share-Linked Notes on the 10th Business Day following the date on which it is determined that an Early Redemption Event has occurred, each Preference Share-Linked Note to be redeemed by payment of the Early Preference Share Redemption Note Amount.

19.6 *Extraordinary Events*

If in the determination of the Determination Agent an Extraordinary Event occurs the Issuer shall, as soon as reasonably practicable following the occurrence of such Extraordinary Event give notice

to the Noteholders in accordance with Condition 35 (*Notices*) and redeem all, but not some only, of the Preference Share-Linked Notes, each Preference Share-Linked Note being redeemed at the Early Redemption Amount on the 10th Business Day immediately following the date on which such determination is made by the Determination Agent.

19.7 *Additional Disruption Events*

If in the determination of the Determination Agent an Additional Disruption Event occurs the Issuer shall, as soon as reasonably practicable following the occurrence of such Additional Disruption Event give notice to Noteholders in accordance with Condition 35 (*Notices*) and redeem all, but not some only, of the Preference Share-Linked Notes, each Preference Share-Linked Note being redeemed at the Early Redemption Amount on the 10th Business Day immediately following the date on which such determination is made by the Determination Agent.

19.8 *Payments – General Provisions*

Condition 24.9 (*Unavailability of Currency*) shall not apply to the Preference Share-Linked Notes.

19.9 *Definitions applicable to Preference Share-Linked Notes*

"**Additional Disruption Event**" means, with respect to any Series of Preference Share-Linked Notes, such of Change in Law, Hedging Disruption, Insolvency Filing and/or Increased Cost of Hedging as are applicable as specified in the applicable Pricing Supplement.

"**Change in Law**" means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it has become illegal to hold, acquire or dispose of any Preference Share or (y) it will incur a materially increased cost in performing its obligations in relation to the Preference Share-Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**Early Preference Share Redemption Note Amount**" means, in respect of each Preference Share-Linked Note, an amount in the Specified Currency per Calculation Amount calculated by the Determination Agent equal to:

$$\text{Calculation Amount} \times \frac{\text{PreferenceShareValue}_{\text{early}}}{\text{PreferenceShareValue}_{\text{inital}}}$$

"**Early Redemption Event**" means that the Issuer or any of its affiliates has received notice from the Preference Share Issuer that the Preference Shares are to be redeemed early.

"**Early Redemption Valuation Date**" means the second Business Day immediately preceding the date for early redemption of the Preference Share-Linked Notes.

"**Extraordinary Event**" means a Merger Event, a Nationalisation, a Tender Offer and/or an Insolvency or such other event specified as such in the applicable Pricing Supplement.

"**Final Valuation Date**" means the date specified as such in the applicable Pricing Supplement or, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Final Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Determination Agent.

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s)

or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Preference Share-Linked Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Preference Shares or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

"**Initial Valuation Date**" means the Issue Date or, if the date for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Initial Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Determination Agent.

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding up of or any analogous proceeding affecting Preference Share Issuer (A) all the Preference Shares are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Preference Shares become legally prohibited from transferring them.

"**Insolvency Filing**" means that Preference Share Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by Preference Share Issuer shall not be deemed an Insolvency Filing.

"**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Determination Agent.

"**Merger Event**" means any (A) reclassification or change of the Preference Shares that results in a transfer of or an irrevocable commitment to transfer all of such Preference Shares outstanding to another entity or person, (B) consolidation, amalgamation, merger or binding share exchange of Preference Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Preference Shares outstanding), (C) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Preference Shares that results in a transfer of or an irrevocable commitment to transfer all such Preference Shares (other than such Preference Shares owned or controlled by such other entity or person), or (D) consolidation, amalgamation, merger or binding share exchange of Preference Share Issuer with or into another entity in which Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Preference Shares outstanding but results in the outstanding Preference Shares (other than Preference Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Preference Shares immediately following such event, in each case if the Merger Date is on or before the Maturity Date.

"**Nationalisation**" means that all the Preference Shares or all or substantially all the assets of Preference Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"**Preference Share Issuer**" means the company specified as such in the applicable Pricing Supplement, or, if no such company is specified, means, in respect of any Preference Shares, the issuer of, or other legal arrangement (including, if applicable, any relevant class or series) giving rise to the relevant Preference Share.

"**Preference Share Value**" means, in respect of any day, the fair market value of the Preference Share at the Valuation Time on such day, as determined by the Determination Agent.

"**Preference Share Value$_{early}$**" means the Preference Share Value on the Early Redemption Valuation Date.

"**Preference Share Value$_{final}$**" shall have the meaning given in the applicable Pricing Supplement.

"**Preference Share Value$_{initial}$**" means the Preference Share Value on the Strike Date.

"**Preference Shares**" means the preference shares specified as such in the applicable Pricing Supplement.

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of Preference Share Issuer as determined by the Determination Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Determination Agent deems relevant.

"**Valuation Date**" means the date specified as such in the applicable Pricing Supplement or, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Determination Agent.

"**Valuation Time**" has the meaning given to it in the applicable Pricing Supplement or if not set out in the applicable Pricing Supplement, immediately following the time at which the final preference share redemption amount in respect of the Preference Shares is determined.

19.10 *Calculations and Determinations*

The Determination Agent will make the calculations and determinations as described in this Condition 19.10 (*Calculations and Determinations*) in such a manner as the Determination Agent determines is appropriate acting in good faith and in a commercially reasonable manner (having regard in each case to the criteria stipulated in the Conditions and the hedging arrangements in respect of the Preference Share-Linked Notes).

Notwithstanding that certain calculations, determinations and adjustments in this Condition 19.10 (*Calculations and Determinations*) may be expressed to be on a certain date, the Determination Agent may make such calculations, determinations and adjustments in respect of that date on a date after that date determined by it in its reasonable discretion.

Pursuant to this Condition 19.10 (*Calculations and Determinations*) the Determination Agent has a number of discretions. These are necessary since in certain circumstances it is not reasonably practicable or otherwise not appropriate for certain valuations to be carried out in relation to relevant reference assets and in these circumstances the Determination Agent also may exercise certain discretions.

The provisions of the second paragraph of this Condition 19.10 (*Calculations and Determinations*) will not apply to the calculation of the Final Redemption Amount or Early Redemption Amount.

19.11 *Rounding*

Condition 38 (*Rounding*) shall not apply to the Preference Share-Linked Notes.

20. **Provisions relating to Autocallable Early Redemption Notes**

In respect of any Series of Notes for which the Autocallable Early Redemption provisions are specified as applicable in the applicable Pricing Supplement, the Conditions shall be supplemented and modified by the terms and conditions set out in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, if the Determination Agent determines that an Autocallable Early Redemption Event has occurred in respect of an Autocallable Early Redemption Observation Date or such other relevant date or during such relevant period as specified in the applicable Pricing Supplement, the Notes will be redeemed at the Autocallable Early Redemption Amount per Note on the relevant Autocallable Early Redemption Date.

21. **Inconvertibility Events**

If, in respect of any Series of Notes, the applicable Pricing Supplements specifies that "Inconvertibility Event Provisions" are applicable, this Condition 21 (*Inconvertibility Events*) shall apply in respect of such Notes.

If, at any time during the term of such Series, the Determination Agent determines, acting in good faith and a commercially reasonable manner, that an Inconvertibility Event has occurred, it will inform the Issuer of such event. Following the determination of an Inconvertibility Event, the Issuer may, at its reasonable discretion, elect any of the following (or to take no action):

(a) If "**Converted Payment**" is specified in the applicable Pricing Supplements: to continue making any payments due under such Notes until the Maturity Date, in which case, any amount due under such Notes shall be converted from the Relevant Currency into the Inconvertibility Specified Currency at the Fallback FX Spot Rate determined by the Determination Agent in its reasonable discretion; or

(b) If "**Early Redemption**" is specified in the applicable Pricing Supplements: to early terminate the Notes on a specified date notified by the Issuer to the holder (such date, the "**Inconvertibility Early Redemption Date**"), in which case the Notes shall early redeem at the Inconvertibility Early Redemption Amount on such Inconvertibility Early Redemption Date. The Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount; or

(c) If "**Suspended Payment**" is specified in the applicable Pricing Supplements: to suspend the payment until as many Business Days after the Inconvertibility Event has ceased as specified in the notice,

provided that the Issuer may, at any time from and including the Trade Date to and including the Maturity Date, subsequent to the despatch of a notice electing one of the selected options other than "Early Redemption", dispatch a second notice electing "Early Redemption", **provided that** such option was also specified as applicable in the applicable Pricing Supplement, in which case the Notes will be redeemed in accordance with the terms of "Early Redemption" above and the date specified in such notice will be the Inconvertibility Early Redemption Date.

The Issuer shall notify the holders of any such determination of an Inconvertibility Event and any action it elects to take in accordance with the foregoing, provided that failure to deliver such notice or the failure of the recipient to receive such notice will not affect the validity of the determination or the Issuer's election or its ability to make payments according to the option it selected.

(d) For the purpose of this Condition 21 (*Inconvertibility Events*):

"**Fallback FX Spot Rate**" has the meaning given in the applicable Pricing Supplement (which, in the case of Currency-Linked Notes, may be the rate determined by the application of the application of any applicable Currency Disruption Fallback pursuant to Condition 12.5 (*Provisions relating to Currency-Linked Notes – Currency Disruption Fallbacks*);

"**Inconvertibility Early Redemption Amount**" means, in respect of any Note, any of:

(i) an amount as specified in the applicable Pricing Supplement;

(ii) if "Early Redemption Amount Less Costs" is specified in the Pricing Supplement, an amount equal to (i), the Early Redemption Amount (as defined in Condition 2.1 (*Definitions*)), (ii) converted from the Relevant Currency into the Inconvertibility Specified Currency at the exchange rate (expressed as a number of the Relevant Currency per one unit of the Inconvertibility Specified Currency) determined by the Determination Agent in its reasonable discretion for settlement on or about the relevant payment date and (iii) less the reasonable cost to and/or the loss realised by, the Issuer and/or any Affiliate in respect of break funding costs for the Issuer term financing associated with such early redemption of the Note, in each case as calculated by the Determination Agent in its reasonable discretion;

(iii) if "Early Redemption Amount" is specified in the applicable Pricing Supplement, an amount equal to the Early Redemption Amount (as defined in Condition 2.1 (*Definitions*)) converted from the Relevant Currency into the Inconvertibility Specified Currency at the exchange rate (expressed as a number of the Relevant Currency per one unit of the Inconvertibility Specified Currency) determined by the Determination Agent in its reasonable discretion for settlement on or about the relevant payment date, as calculated by the Determination Agent in its reasonable discretion;

(iv) if "**Fair Market Value Less Costs (Inconvertibility)**" is specified in the Pricing Supplement, an amount, in the Inconvertibility Specified Currency, equal to the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the Inconvertibility Early Redemption Date), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements or in respect of break funding costs for the Issuer's term financing associated with such early redemption of the Note, in each case as calculated by the Determination Agent in its reasonable discretion.

(v) if "**Fair Market Value (Inconvertibility)**" is specified in the applicable Pricing Supplement, an amount, in the Inconvertibility Specified Currency, equal to the fair market value of such Notes, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the Inconvertibility Early Redemption Date), as calculated by the Determination Agent in its reasonable discretion: or

An "**Inconvertibility Event**" shall be deemed to have occurred if from (and including) the Trade Date to (and including) the Maturity Date, any event or circumstance occurs that generally makes it, in the reasonable discretion of the Determination Agent, impossible, unlawful or impracticable for the Issuer, the Determination Agent or any of its affiliates for any reason beyond its or their reasonable control:

(a) to convert the Relevant Currency into the Inconvertibility Specified Currency or the Inconvertibility Specified Currency into the Relevant Currency (whether directly or through a cross exchange rate) through customary legal channels; or

(b) to determine the rate of conversion of the Inconvertibility Specified Currency into the Relevant Currency or the Relevant Currency into the Inconvertibility Specified Currency; or

(c) to transfer, or make a payment in, or delivery of, the Relevant Currency from or to, outside, or inside, of the Relevant Jurisdiction, in each case under (a), (b) or (c), in an amount up to the Aggregate Nominal Amount or the relevant Interest Amount; or

(d) to determine a rate at which any Relevant Currency can be lawfully exchanged for U.S. Dollars; or

(e) to convert any Relevant Currency into U.S. Dollars; or

(f) to exchange or repatriate any funds outside of any jurisdiction in which any Relevant Underlying (s) or its or their components, is issued; or

(g) for the Issuer or any of its affiliates to hold, purchase, sell or otherwise deal in any Notes, or any other property in order for the Issuer or any of its affiliates to perform any related hedging arrangement, or for the purposes of the Issuer or the Issuer's obligations in respect of any Notes;

"**Inconvertibility Specified Currency**" means the currency specified in the Pricing Supplement and, if none is indicated, the Specified Currency.

"**Relevant Currency**" means the currency as specified in the Pricing Supplement, and, if none is specified, the currency in which any of the securities which comprise the Relevant Underlying(s) is denominated, or the currency of the Relevant Underlying, or any of the Relevant Underlyings, or the currency in which any of their underlying components is denominated, or any other currency or currencies as specified in the Pricing Supplement.

"**Relevant Jurisdiction**" means the jurisdiction as specified in the Pricing Supplement.

"**Relevant Underlying**" means, in relation to the Notes, any of the Share, Index, ETF Interest, Commodity, Commodity Index, ETN, Fund or other item underlying such Notes (and "**Relevant Underlyings**" means all of them).

22. **CNY Disruption Events**

(a) In the event that a CNY Disruption Event, as determined by the Determination Agent in its reasonable discretion, occurs on or prior to any date on which a payment is scheduled to be made under a CNY Note (including, but not limited to, an Interest Payment Date or the Maturity Date) and such CNY Disruption Event is continuing on such date (any such CNY Note so affected, an "**Affected CNY Note**"), the following terms will apply:

(i) first, payments under the Affected CNY Note shall be postponed to two Hong Kong Business Days after the date on which the CNY Disruption Event ceases to exist, unless that CNY Disruption Event continues to exist for 14 consecutive calendar days from the original date that, but for the occurrence of the CNY Disruption Event, would have been the date for such payments (which payment date may be, but is not limited to, an Interest Payment Date or the Maturity Date). In that case, the provisions of sub-paragraph (ii) below will apply on the day immediately following the lapse of such 14 calendar day period; and

(ii) second, the relevant payment obligations under the Affected CNY Note shall be replaced by an obligation to pay an amount equal to the amount that would be due in CNY under the Affected CNY Note converted into an amount in USD as calculated by the Determination Agent in its reasonable discretion. All the payments hereunder shall be made in USD on the relevant Non-Deliverable Substitute Settlement Date. For the avoidance of doubt, this sub-paragraph (ii) shall only apply to any payment which is scheduled to occur on a date (which may be, but is not limited to, the Maturity Date or an Interest Payment Date) that is affected by the CNY Disruption Event and shall not affect any payments falling due on any other dates.

(b) For the purpose of this Condition 22 (*CNY Disruption Events*):

"**CNY Disruption Event**" means any of CNY Illiquidity, CNY Inconvertibility or CNY Non-Transferability.

"**CNY Illiquidity**" means, as determined by the Determination Agent in its reasonable discretion, the occurrence of any event that makes it impossible (where it had previously been possible) for the Issuer to obtain a firm quote of an offer price in respect of an amount in CNY equal to the then aggregate outstanding principal amount of the relevant Affected CNY Notes, any interest or any other amount to be paid under such Notes (the "**Relevant Disrupted Amount**"), during the term of such Notes, either in one transaction or a commercially reasonable number of transactions that, when taken together, is no less than such Relevant Disrupted Amount, in the general CNY exchange market in each Offshore CNY Center in order to perform its obligations under the Affected CNY Notes.

"**CNY Inconvertibility**" means, as determined by the Determination Agent in its reasonable discretion, the occurrence of any event that makes it impossible (where it had previously been possible) for the Issuer to convert an amount of CNY no less than the Relevant Disrupted Amount into or from USD in the general CNY exchange market in each Offshore CNY Center.

"**CNY Non-Transferability**" means, as determined by the Determination Agent in its reasonable discretion, the occurrence in each Offshore CNY Center of any event that makes it impossible (where it had previously been possible) for the Issuer to transfer CNY (A) between accounts inside the Offshore CNY Center, (B) from an account inside the Offshore CNY Center to an account outside such Offshore CNY Center and outside mainland China, or (C) from an account outside an Offshore CNY Center and outside mainland China to an account inside the Offshore CNY Center. For the purpose of CNY Non-Transferability and Hong Kong as an Offshore CNY Center only, a segregated Chinese Renminbi fiduciary cash account with the People's Bank of China and operated by Bank of China (Hong Kong) Limited shall be deemed to be an account inside Hong Kong.

"**Hong Kong Business Day**" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorised or required by law or regulation to close in Hong Kong.

"**Non-Deliverable Substitute Settlement Date**" means, subject to adjustment in accordance with the provisions of Condition 22(a)(i) (*CNY Disruption Events*) and/or any Business Day Convention applicable to the terms of an Affected CNY Note, the day determined by the Determination Agent which shall be as soon as practicable following the date on which the relevant payment was scheduled to be made in respect of such Affected CNY Note, and which shall be in no event later than two (2) Hong Kong Business Days after the date on which the amount payable in USD in respect of such Affected CNY Note is determined by the Determination Agent pursuant to Condition 22(a)(ii) (*CNY Disruption Events*).

"**Offshore CNY Center**" means Hong Kong, or such other CNY Center as specified in the applicable Pricing Supplement.

For the avoidance of doubt, references to "general CNY exchange market in each Offshore CNY Center" in the definitions of CNY Illiquidity and CNY Inconvertibility refers to purchase, sale, lending or borrowing of CNY for general purpose (including, but not limited to, funding), and therefore any purchase or sale of CNY where such CNY is required by relevant laws or regulations for settlement of any cross-border trade transaction with an entity in mainland China, or any purchase or sale of CNY for personal customers residing in each such Offshore CNY Center, would not be purchase or sale made in such general CNY exchange market.

23. Redemption and Purchase

23.1 *Scheduled Redemption*

Save in the case of Notes that are Credit-Linked Notes or ETN-Linked Notes, unless previously redeemed, or purchased and cancelled, and unless otherwise specified in the applicable Pricing Supplement, (i) Cash Settlement Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 24 (*Payments – Registered Notes*), and (ii) Physical Settlement Notes shall be redeemed by delivery of the Physical Delivery Amount on the Physical Settlement Date, subject as provided in Condition 26 (*Physical Settlement*). Notes that are Credit-Linked Notes shall be redeemed as set out in Condition 17 (*Provisions relating to Credit-Linked Notes*), subject to any additional or alternative redemption/ payment provisions or modification contemplated in respect of such Notes specified in the applicable Pricing Supplement. Notes that are ETN-Linked Notes shall be redeemed as set out in Condition 18 (*Provisions relating to ETN-Linked Notes*), subject to any additional or alternative redemption/payment provisions or modification contemplated in respect of such Notes specified in the applicable Pricing Supplement.

23.2 *Tax Redemption – Morgan Stanley Notes and MSFL Notes*

Notes issued by Morgan Stanley and MSFL may be redeemed in whole (but not in part), at the option of the relevant Issuer at any time prior to maturity, upon the giving of a notice of redemption as described below, not less than 10 Business Days prior to the date on which the Notes are to be redeemed, if the relevant Issuer determines in its reasonable discretion that, as a result of any change in or amendment to the laws, or any regulations or rulings promulgated under the laws, of the United States or of any political subdivision or taxing authority of or in the United States affecting taxation, or any change in official position regarding the application or interpretation of the laws, regulations or rulings referred to above, which change or amendment becomes effective on or after the date of the applicable Pricing Supplement in connection with the issuance of the Notes or any other date specified in the applicable Pricing Supplement, it or the Guarantor (if applicable) is or will become obligated to pay Additional Amounts with respect to the Notes as described in Condition 27 (*Taxation*). The early redemption amount will be specified in the applicable Pricing Supplement. The Issuer will give notice of any tax redemption in accordance with Condition 35 (*Notices*).

23.3 *Tax Redemption – MSI plc Notes and MSBV Notes*

MSI plc Notes and MSBV Notes may be redeemed in whole (but not in part), at the option of the relevant Issuer at any time prior to maturity, upon the giving of a notice of redemption as described below, not less than 10 Business Days prior to the date on which the Notes are to be redeemed, if the Issuer determines, in its reasonable discretion, that it or the Guarantor is or will become required by law to make any withholding or deduction with respect to the Notes, as described in Condition 27 (*Taxation*). The early redemption amount will be specified in the applicable Pricing Supplement. The Issuer will give notice of any tax redemption in accordance with Condition 35 (*Notices*).

23.4 Prior to the relevant Issuer giving notice of redemption under Condition 23.2 (*Tax Redemption – Morgan Stanley Notes and MSFL Notes*) or 23.3 (*Tax Redemption – MSI plc Notes and MSBV Notes*), it will deliver to the Fiscal Agent:

(a) a certificate stating that it is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to its right to so redeem have occurred (the date on which that certificate is delivered to the Fiscal Agent is the "**Redemption Determination Date**"); and

(b) an opinion of independent legal counsel of recognised standing to that effect based on the statement of facts.

Notice of redemption will be given not less than 10 Business Days prior to the date fixed for redemption. The date and the applicable redemption price will be specified in the notice.

23.5 *Redemption at the Option of the Issuer*

Subject to Condition 23.6 (*Redemption at the Non-discretionary Option of the Issuer*), if Call Option is specified in the applicable Pricing Supplement as being applicable, the Notes may be

redeemed at the option of the Issuer in whole or, if so specified in the applicable Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than the Minimum Call Notice Number of Day(s) nor more than the Maximum Call Notice Number of Day(s) notice to the Noteholders and, in the case of Uncertificated Notes, not less than 45 days' notice to the Euroclear Registrar (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

23.6 *Redemption at the Non-discretionary Option of the Issuer*

Notwithstanding anything to the contrary in Condition 23.5 (*Redemption at the Option of the Issuer*), if Non-discretionary Call Option is specified in the applicable Pricing Supplement as being applicable, the Notes shall be redeemed by the Issuer in whole, but not in part, on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) if, and only if, the output of a risk neutral valuation model on a Business Day that is at least five (5) but no greater than eight (8) Business Days prior to such Optional Redemption Date, as selected by the Determination Agent (the "**Optional Redemption Determination Date**"), taking as input: (i) prevailing reference market levels, volatilities and correlations, as applicable and in each case as of the Optional Redemption Determination Date and (ii) the Issuer's credit spreads as of the Trade Date(s) indicates, in the determination of the Determination Agent, that redeeming the Notes on such Optional Redemption Date would be economically more rational for the Issuer than not redeeming the Notes on such Optional Redemption Date. If the Issuer is required to redeem the Notes on any Optional Redemption Date in accordance with this Condition 23.6 (*Redemption at the Non-discretionary Option of the Issuer*), the Issuer will give the Noteholders not less than five (5) Business Days' prior notice.

23.7 *Partial Redemption*

(a) if the Notes are to be redeemed in part only on any date in accordance with Condition 23.5 (*Redemption at the Option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, acting in good faith and a commercially reasonable manner, subject to compliance with applicable law and the rules of each listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 23.5 (*Redemption at the Option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed; and

(b) in respect of a partial redemption of Nordic Notes, the notice to Noteholders referred to in Condition 23.5 (*Redemption at the Option of the Issuer*) shall also specify the Nordic Notes or amounts of the Nordic Notes to be redeemed and the Record Date in respect of the relevant Nordic Notes and the procedures for partial redemption laid down in the then applicable NCSD Rules will be observed.

23.8 *Redemption at the Option of Noteholders*

If the Put Option is specified in the applicable Pricing Supplement as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put), together with interest (if any) accrued to such date.

In order to exercise the option contained in this Condition 23.88 (*Redemption at the Option of Noteholders*) the holder of a Note must, not less than the Minimum Put Notice Number of Day(s) nor more than the Maximum Put Notice Number of Day(s) before the relevant Optional Redemption Date (Put), deposit such Note with the Registrar, and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. In respect of Nordic Notes, the Put Notice shall not take effect against the Issuer before the date on which the relevant Nordic Notes have been transferred to the account designated by the relevant Nordic Issuing and Paying Agent and blocked for further transfer by the relevant Nordic Issuing

and Paying Agent. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 23.88 (*Redemption at the Option of Noteholders*), may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 23.88 (*Redemption at the Option of Noteholders*), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

23.9 *Early Redemption of Zero Coupon Notes*

Unless otherwise specified in the applicable Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to (a) the product of the Calculation Amount of such Note and (b) the percentage produced by the following formula:

$$\text{Reference Price} \times (1+\text{Accrual Yield})^{n}$$

where "n" means the number of years from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable and the calculation shall be made on the basis of such Day Count Fraction as may be specified in the applicable Pricing Supplement or, if none is so specified, a Day Count Fraction of 30/360.

23.10 *Purchase*

Morgan Stanley, MSI plc, MSBV, MSFL or any of their respective Affiliates may at any time purchase Notes in the open market or otherwise and at any price.

23.11 *Cancellation*

All Notes so redeemed shall, and all Notes so purchased by Morgan Stanley, MSI plc, MSBV, MSFL or any of their respective Subsidiaries may, at the reasonable discretion of the relevant purchaser, be cancelled. All Notes so redeemed, and all Notes so purchased and cancelled, may not be reissued or resold.

23.12 *Compliance with securities laws*

If any holder of any Note is determined to be a U.S. Person (as defined in Regulation S), the Issuer shall have the right to (a) force such holder to sell its interest in such Note, or sell such interest on behalf of such holder, to a person who is not a U.S. Person (as defined in Regulation S) or (b) terminate and cancel such Note. In the case of any termination and cancellation of a Note as described above no amount shall be payable to the relevant Noteholder and the Issuer shall have no further obligations in respect of the Note.

24. **Payments – Registered Notes**

This Condition 24 (*Payments – Registered Notes*) is only applicable to Registered Notes.

24.1 *Principal*

Subject to Condition 24.3 (*Payments of Principal and Interest in CNY*), payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the 15th day before the due date for any such payment, by transfer to an account denominated

in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a Sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Individual Note Certificates at the Specified Office of any Paying Agent.

24.2 *Interest*

Subject to Condition 24.3 (*Payments of Principal and Interest in CNY*), payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the 15th day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a Sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Individual Note Certificates at the Specified Office of any Paying Agent.

24.3 *Payments of Principal and Interest in CNY*

Notwithstanding Conditions 24.1 (*Principal*) and 24.2 (*Interest*), in respect of CNY Notes, no payment of principal or interest in CNY will be made by cheque and all payments to Noteholders will be made solely (i) for so long as the CNY Notes are represented by a Global Registered Note held with the common depositary for Clearstream Banking société anonyme and Euroclear Bank S.A./N.V. or any alternative clearing system, by transfer to a CNY bank account maintained outside the PRC, or (ii) for so long as the Notes are in definitive form, by transfer to a CNY bank account maintained outside the PRC, in each case in accordance with prevailing rules and regulations.

24.4 *Payments Subject to Fiscal Laws*

All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 27 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the United States Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (in each case without prejudice to the provisions of Condition 27 (*Taxation*)). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

24.5 *Payments on Payment Business Days*

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Individual Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 24 (*Payments – Registered Notes*) arriving after the due date for payment or being lost in the mail.

24.6 *Partial payments*

If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of

partial payment upon presentation of an Individual Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Individual Note Certificate.

24.7 *Record date*: Each payment in respect of a Registered Note will be made to the person shown as the holder in the Register at the close of business in the place of the Registrar's Specified Office on such number of days before the due date for such payment as is specified in the applicable Pricing Supplement (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the holder in the Register at the close of business on the relevant Record Date.

24.8 *Payments of Principal and Interest in respect of Nordic Notes*

Payments of principal, interest and/or any other amount payable under these Conditions in respect of Nordic Notes shall be made to the Noteholders recorded as such on the record date (as specified in the then applicable NCSD Rules) or such other business day falling closer to the due date as may then be stipulated in said Rules. Such day shall be the Record Date in respect of the Nordic Notes.

24.9 *Unavailability of Currency*

If the Specified Currency is not available to the Issuer for making payments of principal of, and premium, interest and/or additional amounts, if any, on any Registered Note (whether due to the imposition of exchange controls or other circumstances beyond the control of the Issuer, or if the Specified Currency is no longer used by the government of the country issuing that currency or by public institutions within the international banking community for the settlement of transactions) (in which case an "**Unavailability of Currency Event**" shall be deemed to have occurred in respect of such Notes), the Issuer may satisfy its obligations to Noteholders by making payments on the date of payment in U.S. Dollars on the basis of the prevailing exchange rate on the date of the payment or of the most recent practicable date, such rate being based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 a.m., New York City time, on the second Business Day preceding the applicable payment date from three recognised foreign exchange dealers for the purchase by the quoting dealer:

(a) of the Specified Currency for U.S. Dollars for settlement on the payment date;

(b) in the aggregate amount of the Specified Currency payable to those holders or beneficial owners of Notes; and

(c) at which the applicable dealer commits to execute a contract.

If those bid quotations are not available, the Exchange Rate Agent will determine the Market Exchange Rate at its reasonable discretion. All determinations by the Exchange Rate Agent will, in the absence of manifest error, be conclusive for all purposes and binding on the Issuer, the Guarantor (if applicable) and the Noteholders. The Exchange Rate Agent will be Morgan Stanley & Co. International plc, unless otherwise noted in the applicable Pricing Supplement. If the Exchange Rate Agent is not an affiliate of Morgan Stanley, it may be one of the dealers providing quotations.

For the avoidance of doubt, any payment made in U.S. Dollars on the basis of the prevailing exchange rate where the required payment is in an unavailable Specified Currency will not constitute an Event of Default.

The foregoing provisions do not apply to CNY Notes or if a Specified Currency is unavailable because it has been replaced by the euro. If the euro has been substituted for a Specified Currency, the Issuer may (or will, if required by applicable law) without the consent of the holders of the affected Notes, pay the principal of, premium, if any, or interest, if any, on any Note denominated in the Specified Currency in euro instead of the Specified Currency, in conformity with legally applicable measures taken pursuant to, or by virtue of, the Treaty. Any payment made in U.S. Dollars or in euro as described above where the required payment is in an unavailable Specified Currency will not constitute an Event of Default.

25. **Payments – Uncertificated Notes**

This Condition 25 (*Payments – Uncertificated Notes*) is only applicable to Uncertificated Notes.

25.1 *Principal*

Subject as provided below, the Euroclear Registrar shall pay or cause to be paid payments of principal in respect of Uncertificated Notes to the relevant Noteholder's cash account, such payment to be made in accordance with the rules of the Operator.

25.2 *Interest*

Payments of interest (if any) in respect of Uncertificated Notes will be discharged by payment (as shown in the records of the Operator) to the cash account of the relevant Noteholder.

25.3 *General*

Each of the persons shown in the Operator register of eligible debt securities as the holder of a particular principal amount of Uncertificated Notes must look solely to the settlement bank or institution at which such person's cash account is held for such person's share of each such payment so made by or on behalf of the Issuer.

25.4 *Payments Subject to Fiscal Laws*

All payments in respect of the Uncertificated Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 27 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the United States Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (in each case without prejudice to the provisions of Condition 27 (*Taxation*)). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

25.5 *Payments on Payment Business Days*

Payment instructions (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated on the due date for payment. A holder of an Uncertificated Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

26. **Physical Settlement**

26.1 *Delivery Notice*

(a) Each Noteholder in respect of Physical Settlement Notes, shall, on or before the scheduled date for redemption thereof (or such earlier date as the Issuer shall notify to the Fiscal Agent and/or Euroclear Registrar and the Noteholders is, in its determination, necessary for the Issuer, the Fiscal Agent and/or the Relevant Clearing System(s) and/or the Euroclear Registrar to perform their respective obligations hereunder) send to the Relevant Clearing System(s) (in accordance with the relevant operating procedures) or, in the case of Uncertificated Notes, the Euroclear Registrar, and the Fiscal Agent an irrevocable notice (the "**Delivery Notice**") in the form from time to time approved by the Issuer, which must:

(i) specify the name and address of the Noteholder;

(ii) specify the number of Notes in respect of which he is the Noteholder;

(iii) except in the case of Uncertificated Notes, specify the number of the Noteholder's account at the Relevant Clearing System(s) to be debited with such Notes;

(iv) except in the case of Uncertificated Notes, irrevocably instruct and authorise the Relevant Clearing System(s) (A) to debit the Noteholder's account with such Notes on the Physical Settlement Date and (B) that no further transfers of the Notes specified in the Delivery Notice may be made;

(v) contain a representation and warranty from the Noteholder to the effect that the Notes to which the Delivery Notice relates are free from all liens, charges, encumbrances and other third party rights;

(vi) specify the number and account name of the account at the Clearing System(s) to be credited with the Physical Delivery Amount if Physical Settlement is applicable;

(vii) contain an irrevocable undertaking to pay the Redemption Expenses and (to the extent payable but unpaid) Taxes (if any) which, in each case, are determined by the Issuer to be payable and an irrevocable instruction to the Relevant Clearing System(s) to debit on or after the Physical Settlement Date the cash or other account of the Noteholder with the Relevant Clearing System(s) specified in the Delivery Notice with such Redemption Expenses and Taxes;

(viii) authorise the production of the Delivery Notice in any applicable administrative or legal proceedings;

(ix) in the case of Uncertificated Notes, specify the cash memorandum account of the Noteholder as shown in the records of the Operator from which the Redemption Expenses and Taxes in respect of such Notes will be paid to the Euroclear Registrar's account with the Operator against delivery of the Physical Delivery Amount and irrevocably agree to deliver such instructions to the Operator as may be requested by the Euroclear Registrar to give effect to the delivery and payments described above; and

(x) certify that the Notes are not being redeemed by or on behalf of a U.S. Person or a person within the United States and the Notes are not beneficially owned by a U.S. Person or a person within the United States (terms used in this Condition 26.1(a)(x) have the meanings in Regulation S).

(b) A Delivery Notice, once delivered to the Relevant Clearing System(s) or the Euroclear Registrar shall be irrevocable and may not be withdrawn without the consent in writing of the Issuer. A Noteholder may not transfer any Note which is the subject of a Delivery Notice following delivery of such Delivery Notice to the Relevant Clearing System(s) or the Euroclear Registrar, as the case may be. A Delivery Notice shall only be valid to the extent that the Relevant Clearing System(s) or the Euroclear Registrar, as the case may be, has not received conflicting prior instructions in respect of the Notes which are the subject of the Delivery Notice.

(c) Failure to properly complete and deliver a Delivery Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided shall be made by the Relevant Clearing System(s) or the Euroclear Registrar, as the case may be, after consultation with the Fiscal Agent and shall be conclusive and binding on the Issuer and the Noteholder.

(d) The Fiscal Agent shall promptly, on the Business Day following receipt of such notice, send a copy of the Delivery Notice to the Issuer or such person as the Issuer may previously have specified.

26.2 *Delivery Obligation*

(a) Subject to the other provisions of this Condition 26.2 (*Delivery Obligation*), the Issuer shall discharge its obligation to deliver the Physical Delivery Amount in respect of any Notes by delivering, or procuring the delivery of, the relevant Underlying Securities on the Physical Settlement Date to the Clearing System for credit to the account with the Clearing System specified in the Delivery Notice of the relevant Noteholder.

(b) The number of Underlying Securities to be delivered to or for the account of each Noteholder on redemption of any Physical Settlement Notes shall be as determined in accordance with the

applicable Pricing Supplement. The Issuer may pay a residual cash amount to each Noteholder representing any fractions of Underlying Securities comprising the Physical Delivery Amount.

(c) After delivery to or for the account of a Noteholder of the relevant Physical Delivery Amount and for such period of time as the transferor or its agent or nominee shall continue to be registered in any clearing system as the owner of the Underlying Securities comprised in such Physical Delivery Amount (the "**Intervening Period**"), none of such transferor or any agent or nominee for the Issuer or such transferor shall (i) be under any obligation to deliver to such Noteholder or any other person any letter, certificate, notice, circular, dividend or any other document or payment whatsoever received by the Issuer or such transferor, agent or nominee in its capacity as holder of such Underlying Securities, (ii) be under any obligation to exercise any rights (including voting rights) attaching to such Underlying Securities during the Intervening Period, or (iii) be under any liability to such Noteholder or any other person in respect of any loss or damage which the Noteholder or any other person may sustain or suffer as a result, whether directly or indirectly, of the Issuer or such transferor, agent or nominee being registered in the Clearing System during such Intervening Period as legal owner of such Underlying Securities.

(d) Any amounts in respect of dividends and interest on the Underlying Securities comprising the Physical Delivery Amount to be delivered will be payable to the party that would receive such amounts according to market practice for a sale of such Underlying Securities executed on the Exchange Business Day following the Determination Date in respect of the Notes. Any such amounts will be paid to or for credit to the account specified by the Noteholder in the relevant Delivery Notice. No right to dividends or interest on the Underlying Securities will accrue to Noteholders prior to the Determination Date.

26.3 *Settlement Disruption of Physical Settlement*

(a) This Condition 26.3 (*Settlement Disruption of Physical Settlement*) shall apply only where Physical Settlement is applicable.

(b) The Determination Agent shall determine, acting in good faith and a commercially reasonable manner, whether or not at any time a Settlement Disruption Event has occurred in respect of Underlying Securities comprised in the Physical Delivery Amount (the "**Affected Securities**") and where it determines such an event has occurred and so has prevented delivery of such Affected Securities on the original day that but for such Settlement Disruption Event would have been the Physical Settlement Date, then the Physical Settlement Date will be the first succeeding day on which delivery of such Affected Securities can take place through the Clearing System unless a Settlement Disruption Event prevents settlement on each of the 10 Clearing System Business Days immediately following the original date that, but for the Settlement Disruption Event, would have been the Physical Settlement Date. In that case, (a) if such Affected Securities can be delivered in any other commercially reasonable manner, then the Physical Settlement Date will be the first day on which settlement of a sale of such Affected Securities executed on that 10th Clearing System Business Day customarily would take place using such other commercially reasonable manner of delivery (which other manner of delivery will be deemed the Clearing System for the purposes of delivery of such Affected Securities), and (b) if such Affected Shares cannot be delivered in any other commercially reasonable manner, then the Physical Settlement Date will be postponed until delivery can be effected through the Clearing System or in any other commercially reasonable manner.

(c) For the purposes hereof "**Settlement Disruption Event**" means, as determined by the Determination Agent acting in good faith and a commercially reasonable manner, an event which is beyond the control of the Issuer or the transferor of any relevant Underlying Securities and as a result of which the Clearing System cannot receive or clear the transfer of such Underlying Securities.

26.4 *Delivery Disruption of Physical Settlement*

(a) This Condition 26.4 (*Delivery Disruption of Physical Settlement*) shall apply only where Physical Settlement is applicable.

(b) If the Determination Agent determines, acting in good faith and a commercially reasonable manner, that a Delivery Disruption Event has occurred, the Determination Agent shall notify the Issuer who shall promptly, and in any event not more than 15 Business Days after the Issuer has received such notification from the Determination Agent, notify the Noteholders, and the Issuer will then deliver, or procure the delivery of, on the Physical Settlement Date such number of Underlying Securities comprised in the Physical Delivery Amount (if any) as it can deliver, or procure the delivery of, on that date and pay such amount as in the opinion of the Determination Agent is appropriate in the circumstances by way of compensation for the non-delivery of the remainder of the Underlying Securities comprised in the Physical Delivery Amount (assuming satisfaction of each applicable condition precedent) to which the Noteholders would have been entitled under the Notes but for the occurrence of such Delivery Disruption Event, in which event the entitlements of the respective Noteholders to receive Underlying Securities on redemption shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon delivery of such number of Underlying Securities and payment of such amount.

(c) Where this Condition 26.4 (*Delivery Disruption of Physical Settlement*) falls to be applied, insofar as the Determination Agent determines to be practical, acting in good faith and a commercially reasonable manner, the same shall be applied as between the Noteholders on a *pro rata* basis, but subject to such rounding down (whether of the amount of a payment or of a number of Underlying Securities to be delivered) and also to such other adjustments as the Determination Agent, acting in good faith and a commercially reasonable manner, determines to be appropriate to give practical effect to such provisions.

(d) For the purposes hereof "**Delivery Disruption Event**" means, as determined by the Determination Agent, acting in good faith and a commercially reasonable manner, the failure or inability, due to illiquidity in the market for the Underlying Securities comprised in the Physical Delivery Amount, by or of the Issuer to deliver, or procure the delivery of, on the Physical Settlement Date all the Underlying Securities comprised in the Physical Delivery Amount to be delivered on that date.

26.5 *Additional Definitions*

For the purposes of this Condition 26 (*Physical Settlement*):

"**Clearing System**" means, in respect of an Underlying Security relating to a Physical Settlement Note, the clearing system specified as such for such security in the applicable Pricing Supplement or any successor to such clearing system as determined by the Determination Agent. If the Pricing Supplement do not specify a clearing system, the Clearing System will be the principal domestic system customarily used for settling trades in the relevant Underlying Securities. If the Clearing System ceases to settle trades in such Underlying Securities, the Determination Agent will, acting in good faith and in a commercially reasonable manner, select another method of delivery;

"**Clearing System Business Day**" means, in respect of a Clearing System, any day on which such Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions;

"**Physical Delivery Amount**" means in respect of any Series of Physical Settlement Notes, the Underlying Securities to be delivered by the Issuer to Noteholders on redemption of each Note, as provided in the applicable Pricing Supplement;

"**Physical Settlement Date**" means, in relation to Underlying Securities to be delivered, subject to Condition 26.3 (*Settlement Disruption of Physical Settlement*), in respect of any Notes, the date following the Maturity Date or any other applicable redemption date, as the case may be, which is the first day on which settlement of a sale of such Underlying Securities executed on that Maturity Date or other redemption date, as the case may be, customarily would take place through the Applicable Clearing System, unless otherwise specified in the applicable Pricing Supplement;

"**Settlement Disruption Event**" means, in relation to a security, an event beyond the control of the parties as a result of which the Clearing System cannot clear the transfer of such security.

27. **Taxation**

27.1 *Additional Amounts*: If specified in the applicable Pricing Supplement, in respect of a Series of Notes, the relevant Issuer or Guarantor, if applicable, will, subject to certain exceptions and limitations set forth below, pay those additional amounts (the "**Additional Amounts**") to any Noteholder who is a U.S. Alien as may be necessary in order that every net payment of the principal of and interest on the Note and any other amounts payable by or on behalf of the relevant Issuer or the Guarantor on the Note after withholding for or on account of any tax, assessment or governmental charge imposed upon or as a result of that payment by the United States or any political subdivision or taxing authority thereof or therein, will not be less than the amount provided for in the Note to be then due and payable. For the avoidance of doubt, if not so provided in the applicable Pricing Supplement, Additional Amounts as provided in this Condition 27.1 (*Additional Amounts*) shall not be payable.

The relevant Issuer or Guarantor, if applicable, will not, however, be required to make any payment of Additional Amounts to any Noteholder for or on account of:

(a) any tax, assessment or other governmental charge that would not have been so imposed but for:

(i) the existence of any present or former connection between the holder or beneficial owner, or between a fiduciary, settlor, beneficiary, member or shareholder of the Noteholder, if the holder or beneficial owner is an estate, a trust, a partnership or a corporation, and the United States and its possessions, including, without limitation, the holder or beneficial owner, or such fiduciary, settlor, beneficiary, member or shareholder, being or having been a citizen or resident of the United States or being or having been engaged in the conduct of a trade or business or present in the United States or having, or having had, a permanent establishment in the United States, or

(ii) the presentation by the Noteholder for payment on a date more than 15 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(b) any estate, inheritance, gift, sales, transfer, capital gains, corporation, income or personal property tax or any similar tax, assessment or governmental charge;

(c) any tax, assessment or other governmental charge imposed by reason of the holder's or beneficial owner's past or present status as a personal holding company or controlled foreign corporation or passive foreign investment company with respect to the United States or as a corporation that accumulates earnings to avoid U.S. federal income tax or as a private foundation or other tax exempt organisation;

(d) any tax, assessment or other governmental charge that is payable otherwise than by withholding from payments on or in respect of any Note;

(e) any tax, assessment or other governmental charge that would not have been imposed but for the failure to comply with certification, information or other reporting requirements concerning the nationality, residence or identity of the holder or beneficial owner of that Note, if compliance is required by statute or by regulation of the United States or of any political subdivision or taxing authority thereof or therein as a precondition to relief or exemption from the tax, assessment or other governmental charge;

(f) any withholding tax imposed under sections 1471 through 1474 of the Code or any agreement with the IRS pursuant to these Code or any agreement with the IRS pursuant to these Code sections, any applicable U.S. Treasury regulations promulgated thereunder or published administrative guidance implementing such sections and any analogous provisions of non-U.S. laws (including withholding resulting from any inter-governmental agreement or an individual agreement with a taxing authority in connection with such sections of the Code, regulations, guidance or laws);

(g) any tax, assessment or other governmental charge imposed by reason of Section 871(m) of the Code, and any applicable U.S. Treasury regulations promulgated thereunder or published administrative guidance implementing such section;

(h) any tax, assessment or other governmental charge imposed by reason of the holder's or beneficial owner's past or present status as the actual or constructive owner of 10 per cent. or more of the total combined voting power of all classes of stock entitled to vote of Morgan Stanley or as a direct or indirect subsidiary of Morgan Stanley;

(i) any tax, assessment or other governmental charge imposed by reason of the holder of any Note and/or Coupon or beneficial owner not qualifying for the portfolio interest exemption or for an exemption with respect to coupon payments exempted under the "other income" provision of a Qualifying Treaty; or

(j) any combination of the items listed above.

In addition, the relevant Issuer or Guarantor, if applicable, will not be required to make any payment of Additional Amounts with respect to any Note presented for payment by or on behalf of a holder or beneficial owner who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent in a Member State of the European Union.

Nor will Additional Amounts be paid with respect to any payment on a Note to a U.S. Alien who is a fiduciary or partnership or other than the sole beneficial owner of that payment to the extent that payment would be required by the laws of the United States (or any political subdivision thereof) to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary or a member of that partnership or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member or beneficial owner been the Noteholder.

The term "**U.S. Alien**" means any person who, for U.S. federal income tax purposes, is a foreign corporation, a nonresident alien individual, a nonresident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is a foreign corporation, a nonresident alien individual or a nonresident alien fiduciary of a foreign estate or trust.

27.2 *MSI plc Notes and MSBV Notes*

Except as otherwise provided in the applicable Pricing Supplement, all payments of principal and interest by MSI plc in respect of MSI plc Notes or MSBV and the Guarantor in respect of MSBV Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied collected, withheld or assessed by (a) in the case where the Issuer is MSI plc, the United Kingdom; (b) in the case where the Issuer is MSBV, The Netherlands; or (c) in the case of the Guarantor, the United States of America or, in each case, any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. None of MSI plc, nor MSBV nor (in respect of MSBV Notes) the Guarantor shall be required to make any additional payments on account of any such withholding or deductions, except as provided for in Condition 27.1 (*Additional Amounts*) above.

27.3 *Implementation of Financial Transaction Tax*

If "Implementation of Financial Transaction Tax" is specified in the applicable Pricing Supplement to be applicable to any Series of Notes, then upon the occurrence of an Implementation of Financial Transaction Tax, the Issuer may (a) in its reasonable discretion, with immediate effect amend the Conditions of the Notes by adjusting downward any amount payable and/or any other value or term of the Conditions to account for the economic impact of the Implementation of Financial Transaction Tax on the Issuer and its Affiliates in relation to the Notes, and (b) to the extent that at any time thereafter the Issuer determines (acting in good faith and in a commercially reasonable manner) that it (including its Affiliates) has incurred additional loss as a result of the Implementation of Financial Transaction Tax that has not been accounted for through the

adjustment made pursuant to sub-paragraph (a) (such amount, "**Additional Increased Tax**"), it may reduce the amount otherwise payable on the Notes on the next payment date (and any payment date thereafter) by an amount up to the Additional Increased Tax amount. Any such adjustments shall be notified to Noteholders as soon as reasonably practicable. If an event or circumstance which would otherwise constitute a Change in Law or Increased Cost of Hedging (where applicable) also constitutes an Implementation of Financial Transaction Tax, it will be treated as an Implementation of Financial Transaction Tax.

28. **Events of Default**

28.1 If any of the following events (each, an "**Event of Default**") occurs and is continuing:

(a) *Non-payment*: 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

(b) *Insolvency, etc.*:

(i) the Issuer becomes insolvent or is unable to pay its debts as they fall due;

(ii) an administrator or liquidator of the Issuer or the whole or a substantial part of the undertaking, assets and revenues of the Issuer is appointed (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent);

(iii) the Issuer takes any action for a composition with or for the benefit of its creditors generally; or

(iv) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent), and such order or effective resolution has remained in force and has not been rescinded, revoked or set aside for sixty days after the date on which such order is made or effective resolution is passed,

then 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 or to the Specified Office of the Fiscal Agent, declare the Notes to be immediately (or, in the case of Nordic Notes, on such later date on which the relevant Nordic Notes have been transferred to the account designated by the relevant Nordic Issuing and Paying Agent and blocked for further transfer by such Agent) due and payable, whereupon they shall become so due and payable at their Early Redemption Amount (or in accordance with any other provisions specified in the applicable Pricing Supplement) without further action or formality. Notice of any such declaration shall be given to the Noteholders promptly (in any event not more than 10 Business Days after such declaration is made).

In the case of MSBV Notes and MSFL Notes, nothing herein contained shall be deemed to authorise any Noteholder to exercise any remedy against the applicable Issuer or the Guarantor solely as a result of, or because it is related directly or indirectly to, the insolvency of the Guarantor or the commencement of any proceedings relative to the Guarantor under Title 11 of the United States Code, or the appointment of a receiver for the Guarantor under Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or the commencement of any other applicable federal or state bankruptcy, insolvency, resolution or other similar law, or solely as a result of, or because it is related directly or indirectly to, a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official having been appointed for or having taken possession of the Guarantor or its property, or solely as a result of, or because it is related directly or indirectly to, the institution of any other comparable judicial or regulatory proceedings relative to the Guarantor, or to the creditors or property of the Guarantor. Notwithstanding the foregoing, Noteholders are authorised to exercise any remedy against the relevant Issuer as a result of an Event of Default described in Condition 28.1(b) (*Insolvency, etc.*).

28.2 *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.

29. **Illegality and Regulatory Event**

29.1 If this Condition 29 (*Illegality and Regulatory Event*) is specified in the Pricing Supplement to be applicable to a Series of Notes, the Issuer shall have the right to redeem the Notes early (at the amount specified in the applicable Pricing Supplement), if it shall have determined, that:

(a) its performance thereunder, or, if applicable, the Guarantor's performance of its obligation under the Guarantee, shall have become or will be unlawful in whole or in part as a result of compliance in good faith by the Issuer, or, if applicable, the Guarantor, with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power ("**applicable law**") (an "**Illegality Event**"); or

(b) in respect of Notes issued by MSBV only, a Regulatory Event has occurred.

29.2 If this Condition 29 (*Illegality and Regulatory Event*) is specified in the Pricing Supplement to be applicable to a Series of Notes and, subject to the conditions set out in Condition 29.1 (*Illegality and Regulatory Event*) above, the Issuer determines that the Notes shall be redeemed early in accordance with Condition 29.1 (*Illegality and Regulatory Event*), the Issuer shall give not less than five Business Days' notice to the Noteholders informing them that either an Illegality Event or, in respect of Notes issued by MSBV only, a Regulatory Event, as applicable, has occurred, as a result of which the Notes shall be redeemed early on the date specified for redemption in such notice. In such circumstances the Issuer will, if and to the extent permitted by applicable law, pay to each Noteholder in respect of each Note held by such Noteholder an amount determined by the Determination Agent, in its reasonable discretion, as representing either: (i) the fair market value of such Note immediately prior to such redemption (ignoring such Illegality Event or Regulatory Event) less the cost to the Issuer (or its Affiliates) of, or the loss realised by the Issuer (or its Affiliates) on, unwinding any related underlying hedging arrangements, the amount of such cost or loss being as determined by the Determination Agent in its reasonable discretion, if "Early Redemption Amount (Illegality and Regulatory Event) - Fair Market Value Less Costs" is specified in the Pricing Supplement; (ii) the fair market value of such Note immediately prior to such redemption (ignoring such Illegality Event or Regulatory Event), if "Early Redemption Amount (Illegality and Regulatory Event) – Fair Market Value" is specified in the Pricing Supplement; or (iii) the Calculation Amount of such Note, if "Early Redemption Amount (Illegality and Regulatory Event) - Par" is specified in the Pricing Supplement. The Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of the amount determined by the Determination Agent to be payable in accordance with the provisions above, based on the elections made in the applicable Pricing Supplement.

29.3 The Issuer shall also, as soon as reasonably practicable under the circumstances, notify the Fiscal Agent and the Determination Agent of the occurrence of an Illegality Event or, in respect of Notes issued by MSBV only, a Regulatory Event, as applicable.

30. **Prescription**

30.1 *Prescription in respect of Registered Notes*

Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Individual Note Certificates are surrendered for payment within 10 years of the appropriate Relevant Date.

30.2 *Prescription in Respect of Nordic Notes*

Claims for principal in respect of the Swedish Notes shall become void unless made within a period of 10 years after the appropriate Relevant Date. Claims for interest in respect of the Swedish Notes shall become void unless made within a period of five years after the appropriate Relevant Date. Claims for principal and/or interest in respect of Finnish Notes shall become void unless made within a period of three years after the appropriate Relevant Date.

30.3 *Prescription in Respect of Uncertificated Notes*

Claims for principal and interest in respect of Uncertificated Notes shall become void unless made within a period of 10 years after the appropriate Relevant Date.

31. **Replacement of Notes**

If any Note or Individual Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, during normal business hours (and, if the Notes are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Individual Note Certificates must be surrendered before replacements will be issued.

32. **Agents**

32.1 In acting under the Issue and Paying Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders. All calculation and determination functions required of the relevant Agent may be delegated to such persons as the relevant Agent may decide and all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the Notes by the Agents or the Issuer shall (in the absence of manifest error or wilful misconduct) be binding on the Issuer and the Noteholders and (subject as aforesaid) no liability to the Noteholders (or any of them) shall attach to the Agents or the Issuer in connection with the exercise or non-exercise by any of them of their powers, duties and discretions for such purposes. The Determination Agent shall act as an expert and not as an agent for the Issuer or the Noteholders. All determinations, considerations and decisions made by the Determination Agent shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive and the Determination Agent shall have no liability in relation to such determinations except in the case of its wilful default or bad faith.

32.2 In acting under the Euroclear Agreement, the Euroclear Registrar acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

32.3 The initial Agents and the Euroclear Registrar and their initial Specified Office are listed below on the inside back cover of this Offering Circular. The initial Calculation Agent is the Fiscal Agent. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and the Euroclear Registrar and to appoint a successor Fiscal Agent or Registrar or Calculation Agent or Euroclear Registrar and additional or successor paying agents; **provided, however,** that:

(a) there shall at all times be a Fiscal Agent and in the case of Uncertificated Notes, Euroclear Registrar appointed in respect of the Notes;

(b) if a Calculation Agent is specified in the applicable Pricing Supplement, the Issuer shall at all times maintain a Calculation Agent;

(c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent

and/or a Transfer Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system; and

(d) so long as there is any Tranche of Nordic Notes outstanding, there will at all times be an NCSD duly authorised as a central securities depository under the relevant NCSD Rules and a Nordic Issuing and Paying Agent in respect of the relevant Tranche of Nordic Notes.

32.4 Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly and in any event not more than 15 Business Days after such change has been confirmed, be given to the Noteholders in accordance with Condition 35 (*Notices*).

33. Meetings of Noteholders and Modification

33.1 *Meetings of Noteholders*

The Issue and Paying Agency Agreement (or in the case of Uncertificated Notes, the Euroclear Agreement) contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented, provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

33.2 *Modification*

(a) The Notes, these Conditions, the Guarantee and the Deeds of Covenant may be amended without the consent of the Noteholders where, in the reasonable opinion of the Issuer:

(i) the amendment is to correct a manifest error or to effect a modification which is of a formal, minor or technical nature;

(ii) the amendment is to cure any ambiguity or is to correct or supplement any defective provisions;

(iii) the amendment is to correct an error or omission such that, in the absence of such correction, the relevant terms proposed to be corrected would not otherwise represent the intended terms on which the relevant Notes were sold and have since traded; or

(iv) the amendment is not materially prejudicial to the interest of the Noteholders.

(b) The parties to the Issue and Paying Agency Agreement, the Euroclear Agreement and SEB Issuing and Paying Agent Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a type contemplated in Condition 33.2(a) above.

33.3 *Interests of Noteholders*

In connection with the Conditions, the Issuer and the Fiscal Agent shall have regard to the interests of the Noteholders as a class. In particular, but without limitation, the Issuer and the Fiscal Agent shall not have regard to the consequences for individual Noteholders resulting from such individual Noteholders being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

33.4 *Severance*

Should any of the provisions contained in these Conditions be or become invalid, the validity of the remaining provisions shall not be affected in any way.

34. **Further Issues**

Any of the Issuers may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

35. **Notices**

35.1 *Registered Notes*

Notices to holders of Registered Notes in definitive form shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register Notices to holders of Registered Notes in global form shall be sent to them by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other Relevant Clearing System for communication by them to the holders of the Notes. To the extent the Registered Notes are admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market, notices to holders will be published in accordance with the rules of Euronext Dublin. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

35.2 *Nordic Notes*

All notices to holders of Nordic Notes shall be valid if so published or mailed to their registered addresses appearing on the relevant NCSD Register.

35.3 *Notes admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market*

In relation to Notes admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market, notices to Noteholders will be published in accordance with the rules of Euronext Dublin.

35.4 *Notes listed on the SIX Swiss Exchange*

In relation to Notes admitted to listing on the SIX Swiss Exchange, notices to Noteholders will be published in accordance with the regulations of the SIX Swiss Exchange in German and French language, if permitted and/or required by the applicable rules and regulations of the SIX Swiss Exchange. If the applicable rules and regulations of the SIX Swiss Exchange do not permit publication of notices on its website only, notices will be published in German and/or French language in one major daily or weekly newspaper in Switzerland or on the website http://sp.morganstanley.com/EU/CH/Products if permitted by the rules and regulations of the SIX Swiss Exchange.

35.5 *Notes admitted to the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF market*

In relation to Notes admitted to the Official List of the Luxembourg Stock Exchange and trading on the Luxembourg Stock Exchange's Euro MTF market, notices will be valid if published in a daily newspaper of general circulation in Luxembourg and/or on the website of the Luxembourg

Stock Exchange (www.bourse.lu). Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

35.6 *Notes listed on the Global Market of the Gibraltar Stock Exchange*

In relation to Notes listed on the Global Market of the Gibraltar Stock Exchange, notices to Noteholders will be published in accordance with the rules of the Gibraltar Stock Exchange.

35.7 *Uncertificated Notes*

Notices to holders of Uncertificated Notes shall be sent to the address of the Noteholder appearing in the Record on the second Business Day immediately prior to despatch of such notice, by first class post or, if such address is not in the United Kingdom, by airmail post (any such notice to be delivered or sent at the risk of the relevant Noteholder).

35.8 *Unlisted Notes*

Notices to Noteholders of non-listed Notes may be published, as specified in the applicable Pricing Supplement, in newspapers, on a website or otherwise.

35.9 Notwithstanding any other provision in the Conditions, any failure by the Issuer, the Calculation Agent, the Determination Agent or any other party to provide Noteholders with any notice due to be given to Noteholders in accordance with the Conditions shall not of itself affect the validity of the determination, adjustment, event or any other occurrence to which such notice relates.

35.10 If an adjustment is made, or any other action is taken, by the Determination Agent under any one or more of the following Conditions: 10.2(d), 10.2(e), 10.3(a), 10.3(b), 10.4(a)(ii), 10.4(b)(ii), 10.5(b), 10.6(b), 10.7(c), 10.8(c), 11.1, 11.7(d), 11.8(a), 12.8(b), 13.6(b), 14.8, 15.4(b), 15.5, 16.4(b), the Determination Agent shall notify the Issuer and the Fiscal Agent of such adjustment. The Fiscal Agent shall, on behalf of and on instruction of the Issuer, provide notice (which notice shall, for the avoidance of doubt, be in the form provided to it by or on behalf of the Issuer) to the Noteholders of the relevant adjustment within 15 Business Days of receipt of such notification from the Determination Agent.

36. **Losses**

In no event shall the Issuer or the Agents have any liability for indirect, incidental, consequential or other damages (whether or not it may have been advised of the possibility of such damages) other than interest until the date of payment on sums not paid when due in respect of any Notes or assets not delivered when due. Noteholders are entitled to damages only and are not entitled to the remedy of specific performance in respect of any Note.

37. **Currency Indemnity**

37.1 If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

37.2 This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

38. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the applicable Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 per cent. rounded up to 0.00001 per cent.), (b) all U.S. Dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent rounded upward), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downward to the next lower whole Japanese Yen amount and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency (with 0.005 rounded up to 0.01).

39. **Redenomination, Renominalisation and Reconventioning**

39.1 *Application*

This Condition 39 (*Redenomination, Renominalisation and Reconventioning*) is applicable to the Notes only if it is specified in the applicable Pricing Supplement as being applicable.

39.2 *Notice of redenomination*

If the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders, on giving at least 15 Business Days' prior notice to the Noteholders and the Paying Agents (or, in the case of the Uncertificated Notes, the Euroclear Registrar), designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.

39.3 *Redenomination*

Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

(a) the Notes shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into euro at the rate for conversion of such currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Union regulations); provided, however, that, if the Issuer determines, with the agreement of the Fiscal Agent that the then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly, and in any event within not more than 15 Business Days of the Issuer making such determination, notify the Noteholders, each listing authority, stock exchange and/or quotation system (if any) by which the Notes have been admitted to listing, trading and/or quotation and the Paying Agents of such deemed amendments;

39.4 *Interest*

Following redenomination of the Notes pursuant to this Condition 39 (*Redenomination, Renominalisation and Reconventioning*), where Notes have been issued in definitive form, the amount of interest due in respect of such Notes will be calculated by reference to the aggregate principal amount of the Notes presented for payment by the relevant holder.

39.5 *Interest Determination Date*

If the Floating Rate Note Provisions are specified in the applicable Pricing Supplement as being applicable and Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination Date shall be deemed to be the second TARGET Settlement Day before the first day of the relevant Interest Period.

40. **Substitution**

40.1 *Substitution of Issuer with Morgan Stanley Group entities*

Subject to the conditions set out in this Condition 40 (*Substitution*), but without the consent of Noteholders, each Issuer may, where the Issuer is:

(a) Morgan Stanley, substitute a subsidiary of Morgan Stanley in place of Morgan Stanley as principal debtor under the Notes, provided that any Notes in respect of which such a substitution is effected will be fully, unconditionally and irrevocably guaranteed pursuant to a guarantee of Morgan Stanley as to the payment of principal of, premium, interest and supplemental amounts, if any, and any Additional Amounts on those Notes when and as the same will become due and payable, whether at maturity or otherwise, and provided further that under the terms of the guarantee, Noteholders will not be required to exercise their remedies against the substitute prior to proceeding directly against Morgan Stanley (as guarantor);

(b) MSI plc, substitute Morgan Stanley or a subsidiary of Morgan Stanley in place of MSI plc as principal debtor under the Notes, provided that, unless Morgan Stanley is the substitute issuer, any Notes in respect of which such a substitution is effected will be fully, unconditionally and irrevocably guaranteed pursuant to a guarantee of MSI plc as to the payment of principal of, premium, interest and supplemental amounts, if any, and any Additional Amounts on those Notes when and as the same will become due and payable, whether at maturity or otherwise, and provided further that under the terms of the guarantee, Noteholders will not be required to exercise their remedies against the substitute prior to proceeding directly against MSI plc (as guarantor);

(c) MSBV, substitute Morgan Stanley or a subsidiary of Morgan Stanley in place of MSBV as principal debtor under the Notes, provided that, unless Morgan Stanley is the substitute issuer, any Notes in respect of which such a substitution is effected will be fully, unconditionally and irrevocably guaranteed pursuant to a guarantee of Morgan Stanley as to the payment of principal of, premium, interest and supplemental amounts, if any, and any Additional Amounts on those Notes when and as the same will become due and payable, whether at maturity or otherwise, and provided further that under the terms of the guarantee, Noteholders will not be required to exercise their remedies against the substitute prior to proceeding directly against Morgan Stanley (as guarantor); or

(d) MSFL, substitute Morgan Stanley or a subsidiary of Morgan Stanley in place of MSFL as principal debtor under the Notes, provided that, unless Morgan Stanley is the substitute issuer, any Notes in respect of which such a substitution is effected will be fully, unconditionally and irrevocably guaranteed pursuant to a guarantee of Morgan Stanley as to the payment of principal of, premium, interest and supplemental amounts, if any, and any Additional Amounts on those Notes when and as the same will become due and payable, whether at maturity or otherwise, and provided further that under the terms of the guarantee, Noteholders will not be required to exercise their remedies against the substitute prior to proceeding directly against Morgan Stanley (as guarantor).

40.2 *Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*

If this Condition 40.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*) is specified in the Pricing Supplement to be applicable to a Series of Notes, subject to the conditions set out in this Condition 40 (*Substitution*), including the rights of Noteholders under Condition 40.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*), but without the consent of Noteholders, the Issuer or the Guarantor (in the case of MSBV or MSFL Notes) may, in the event that the Issuer or the Guarantor (as the case may be) has determined that any of the following events has occurred in respect of the Issuer or the Guarantor

(as the case may be): an insolvency, receivership or equivalent event under the jurisdiction of the Issuer or the Guarantor (as the case may be); a divestment mandated for regulatory reasons; any action being required to satisfy any regulatory licensing requirements; or a change of control (each a "**Substitution Event**"), substitute for itself any entity which is not a Morgan Stanley Group entity, provided that such entity has a long term credit rating from at least one rating agency of standard application on the international capital markets (including but not limited to S&P, Moody's and Fitch) which is at least as high as the long term credit rating of the relevant Issuer or Guarantor (as the case may be) being substituted immediately prior to the occurrence of the relevant Substitution Event). Notwithstanding the foregoing, for any Series of Notes in respect of which Morgan Stanley is the Issuer, Morgan Stanley may not be substituted as Issuer with any entity which is not a Morgan Stanley Group entity within one year of the Issue Date of such Notes.

40.3 *Conditions to substitution*

Substitution of an Issuer or Guarantor for another entity (the "**Substitute**") as provided in Condition 40.1 (*Substitution of Issuer with Morgan Stanley Group entities*) or 40.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*) above (as applicable) are subject to the following conditions:

(a) the Substitute becoming party to the Issue and Paying Agency Agreement with any appropriate consequential amendments, as if it had been an original party to it in place of the relevant Issuer or the Guarantor (as the case may be);

(b) the Substitute is validly existing under the laws under which it is established or incorporated, has capacity to assume all rights, obligations and liabilities under the Notes, receipts, coupons and Guarantee, as applicable, and has obtained all necessary corporate authorisations to assume all such rights, obligations and liabilities under the Notes or Guarantee (as applicable);

(c) the Substitute has obtained all necessary governmental or regulatory approvals and consents for the performance by it of its obligations in connection with the Notes or Guarantee (as applicable) and that all such approvals and consents are in full force and effect and that the Substitute and the Notes comply with all applicable requirements of the Securities Act;

(d) in the case of substitution of an Issuer or Guarantor pursuant to Condition 40.1 (*Substitution of Issuer or Guarantor with Morgan Stanley Group entities*) above only:

(i) the Substitute and the relevant Issuer having obtained (a) legal opinions from independent legal advisors of recognised standing in the country of incorporation of the Substitute and in England that the obligations of the Substitute, in the case of a substitution of an Issuer, under the Notes and the relevant Deed of Covenant, or, in New York in the case of a substitution of the Guarantor under the Deed of Guarantee, are legal, valid and binding obligations of the Substitute and (b) in the case of the substitution of the Issuer which is MSBV or MSFL (or any substitute thereof), a legal opinion from an independent legal advisor in New York, of recognised standing, that the Deed of Guarantee will apply to the Substitute mutatis mutandis as it applies to the Issuer prior to the substitution and will constitute legal, valid and binding obligations of the Guarantor, in respect of the Substitute, provided that no opinion as referred to in this paragraph (d) shall be required where the Substitute is the Guarantor with respect to MSBV Notes or MSFL Notes; and

(ii) if the relevant Notes are rated at the relevant time, the Substitute has obtained, prior to the substitution date, acknowledgement from the relevant rating agencies that the substitution will not result in whole or in part in a withdrawal, downgrading, placement in creditwatch or negative outlook of the Notes;

(e) the Fiscal Agent has confirmed to the relevant Issuer or Guarantor (as the case may be) that it has completed its relevant "know your customer" requirements on the proposed Substitute;

(g) such substitution being permitted by the rules of any stock exchange on which the Notes are listed and each such stock exchange confirming that, following the proposed substitution of the Substitute, the Notes will continue to be listed on such stock exchange;

(h) no payment in respect of the Notes, receipts and coupons is overdue at the relevant time;

(i) at the time of any such substitution, the Substitute is in a position to fulfil all payment obligations arising from or in connection with the Notes in freely convertible and transferable lawful money without the necessity of any taxes or duties to be withheld at source, and to transfer all amounts which are required therefor to the Fiscal Agent without any restrictions;

(j) if appropriate, the Substitute appointing a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes;

(k) in respect of Notes which benefit from the Guarantee, such Notes shall continue to benefit from the Guarantee following substitution of the Issuer, pursuant to Condition 40.1 (*Substitution of Issuer or Guarantor with Morgan Stanley Group entities*) and the terms of the Guarantee; and

(l) in respect of Nordic Notes, the relevant NCSD has given its consent to the substitution.

For the avoidance of doubt, nothing will preclude the substitution of the Issuer with the Guarantor.

40.4 *Reference in the Conditions to the Issuer or the Guarantor (as the case may be)*

In the event of a substitution pursuant to this Condition 40 (*Substitution*), any reference in the Conditions to the relevant Issuer or the Guarantor (as the case may be) shall be construed as a reference to the entity substituted.

40.5 *Notification to Noteholders of substitutions with Morgan Stanley Group entities*

The relevant Issuer shall as soon as reasonably practicable and in any event not more than 15 Business Days after the date on which a substitution pursuant to Condition 40.1 (*Substitution of Issuer with Morgan Stanley Group entities*) has taken place, notify Noteholders of such substitution in accordance with Condition 35 (*Notices*).

40.6 *Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*

(a) With respect to the right of substitution referred to in Condition 40.2, (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities)* the Issuer shall provide 60 calendar days' notice of any substitution under such Condition to Noteholders in accordance with Condition 35 (*Notices*). Noteholders who object to the substitution will have the right to require the Issuer to redeem their Notes at a price determined in accordance with the provisions of this Condition 40.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*), by providing notice of their intention to exercise such right in the manner set out in this Condition 40.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*) (the "**Right to Redemption**").

(b) The redemption of any Notes in respect of which the Right to Redemption has been exercised by Noteholders shall take place 10 Business Days prior to the relevant substitution becoming effective (the "**Substitution Redemption Date**"). The Issuer shall redeem any Notes in respect of which the Right to Redemption has been exercised at a price equal to (i) in the case of Notes the terms of which provide for the repayment in full of principal at maturity, the Replacement Value of such Notes or (ii) in ever other case, the fair market value of such Notes on the day on which the relevant Right to Redemption Notice is deposited, in accordance with the provisions of this Condition 40.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*), as determined by the Determination Agent in its reasonable discretion, together with interest (if any)

accrued to such date (to the extent that such interest is not otherwise taken into account in determining the fair market value of such Notes).

For the purpose of this Condition 40.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*), "**Replacement Value**" means an amount determined by the Determination Agent, acting in good faith and in a commercially reasonable manner, as at the day on which the relevant Right to Redemption Notice is deposited in accordance with the provisions of this Condition 40.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*) 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 the Notes as if the relevant Substitution Event described in Condition 40.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*) and the substitution described in this Condition 40 (*Substitution*) had not 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 the Notes.

(c) In order to exercise the option contained in this Condition 40.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*) the holder of a Note (other than an Uncertificated Note) must, not less than 15 Business Days before the date on which the substitution is due to take place (the "**Substitution Date**"), deposit such Note (together with all unmatured Coupons relating thereto) with the Registrar, and a duly completed Right to Redemption Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Right to Redemption Receipt to the depositing Noteholder. In respect of Nordic Notes, the Right to Redemption Notice shall not take effect against the Issuer before the date on which the relevant Nordic Notes have been transferred to the account designated by the Nordic Issuing and Paying Agent and blocked for further transfer by the relevant Nordic Issuing and Paying Agent. No Note, once deposited with a duly completed Right to Redemption Notice in accordance with this Condition 40.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*), may be withdrawn; provided, however, that if, prior to the relevant Substitution Redemption Date, any such Note becomes due and payable or, upon due presentation of any such Note on the relevant Substitution Redemption Date, payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Right to Redemption Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Right to Redemption Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 40.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

(d) In order to exercise the option contained in this Condition 40.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*) the holder of an Uncertificated Note must, not less than 15 Business Days before the relevant Substitution Date, deposit with the Euroclear Registrar a duly completed Right to Redemption Notice in the form obtainable from the Euroclear Registrar. The Euroclear Registrar with which a Right to Redemption Notice is so deposited shall deliver a duly completed Right to Redemption Receipt to the depositing Noteholder. Once deposited a duly completed Right to Redemption Notice may not be withdrawn; provided, however, that if, prior to the relevant Substitution Redemption Date, the related Note becomes due and payable or, upon the relevant Substitution Redemption Date, payment of the redemption moneys is improperly withheld or refused, the Euroclear Registrar shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Right to Redemption Notice and the relevant depositing Noteholder and not the Euroclear Registrar shall be deemed to be the holder of such Note for all purposes in such case.

(e) Notwithstanding the foregoing, in respect of any Series of Notes for which Morgan Stanley is the Issuer, Noteholders shall only have the right to submit a Right to Redemption Notice from the date which is one calendar year after the Issue Date of such Notes.

(f) Any payments made to Noteholders in accordance with this Condition 40.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*) shall be made in accordance

with the provisions of Condition 24 (*Payments – Registered Notes*) or Condition 25 (*Payments – Uncertificated Notes*), as applicable.

40.7 *Tax Consequences of substitution*

If the Issuer substitues an entity in place of the Issuer as principal debtor under the Notes, the tax consequences (including the withholding tax consequences) of holding the Notes may change. Except as provided in Condition 27.1 (*Additional Amounts*), if withholding is required on the Notes the Issuer will not be required to pay any additional amounts.

41. **Representations and Acknowledgements by Noteholders**

41.1 Each Noteholder shall be deemed to represent and acknowledge to the Issuer on acquiring any Notes that:

(a) neither the Issuer nor any Affiliate or any of their agents is acting as a fiduciary for it or provides investment, tax, accounting, legal or other advice in respect of the Notes and that such Noteholder and its advisors are not relying on any communication (written or oral and including, without limitation, opinions of third party advisors) of the Issuer or any Affiliate as (i) legal, regulatory, tax, business, investment, financial, accounting or other advice, (ii) a recommendation to invest in any Notes or (iii) an assurance or guarantee as to the expected results of an investment in the Notes (it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be any such advice, recommendation, assurance or guarantee and should be independently confirmed by the recipient and its advisors prior to making any such investment);

(b) such Noteholder (i) has consulted with its own legal, regulatory, tax, business, investments, financial and accounting advisors to the extent that it has deemed necessary, and has made its own investment, 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 Affiliate or any of their agents and (ii) is acquiring 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

(c) the Issuer and/or any Affiliates may have banking or other commercial relationships with issuers of any securities to which the Notes relate and may engage in proprietary trading in any securities, indices, futures contracts, commodities, fund interests or other property to which the Notes relate or options, futures, derivatives or other instruments relating thereto (including such trading as the Issuer and/or any Affiliate deem appropriate in their reasonable discretion to hedge the market risk on the Notes and other transactions between the Issuer and/or any Affiliates and any third parties), and that such trading (i) may affect the price or level thereof and consequently the amounts payable under the Notes and (ii) may be effected at any time, including on or near any Valuation Date, Reference Date or Averaging Date (as applicable).

41.2 If "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, each Noteholder in respect of that Series of Notes shall be deemed to represent, acknowledge and undertake to the relevant Issuer on acquiring any Note (and such acknowledgements, representations and undertakings are deemed to be repeated on the Issue Date) that:

(a) without prejudice to the generality of any applicable law, the Noteholder expressly consents to the disclosure by the Issuer or its Affiliates to the relevant authorities in the jurisdiction of the incorporation or organisation of the issuer of the relevant Shares (a "**Relevant Jurisdiction**"), the jurisdiction in which the Exchange is located (the "**Local Jurisdiction**"), a jurisdiction in which the SEHK is located (a "**CCS Jurisdiction**") or any jurisdiction of tax residence of the issuer of the Shares (a "**Tax Residence Jurisdiction**"), information relating to the Notes, including the name of the Noteholder in order for the Issuer or any of its Affiliates to comply with laws and regulations of the Relevant Jurisdiction, the Local Jurisdiction, the CCS Jurisdiction or Tax Residence Jurisdiction that are applicable to the Issuer or its Affiliate in connection with their dealings in the underlying;

(b) the Noteholder acknowledges that, in the case of an individual, it is not a person who is a citizen of PRC and does not have permanent right of abode in a jurisdiction outside PRC, or in the case of an entity, either (x) it is not incorporated or registered under the laws of PRC or (y) it will purchase and hold the Notes pursuant to any program approved by, or approval of or registration with, any competent PRC regulator; and

(c) the Noteholder will use funds lawfully owned by it and located outside PRC to purchase the Notes unless it will purchase the Notes pursuant to any program approved by, or approval of or registration with, any competent PRC regulator.

42. **Governing Law and Jurisdiction**

42.1 *Governing Law*

Unless otherwise specified in the applicable Pricing Supplement, the Notes and any non-contractual obligations arising out of or in connection with them shall be governed by and construed in accordance with English law.

42.2 ***Jurisdiction***

Each of Morgan Stanley, MSI plc, MSBV and MSFL agrees for the benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes (respectively, "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

42.3 ***Appropriate Forum***

Each of Morgan Stanley, MSBV and MSFL irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

42.4 ***Process Agent***

Each of Morgan Stanley, MSBV and MSFL agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to (i) in the case of Morgan Stanley and MSBV, Morgan Stanley & Co. International plc, 25 Cabot Square, Canary Wharf, London E14 4QA or, if different, its registered office for the time being and (ii) in the case of MSFL, Morgan Stanley (UK) Limited, 25 Cabot Square, Canary Wharf, London E14 4QA or, if different, its registered office for the time being or (iii) at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part 34 of the UK Companies Act 2006. If such Person is not or ceases to be effectively appointed to accept service of process on behalf of any Issuer, such Issuer shall, on the written demand of any Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, appoint another Person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a Person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent. Nothing in this Condition shall affect the right of any Noteholder to serve process in any other manner permitted by law.

43. **Rights of the Issuer and Determination Agent are Cumulative**

Each of the Issuer and the Determination Agent may have rights exercisable under different provisions of these Conditions arising from the occurrence of the same event. In such circumstances, the rights of the Issuer or the Determination Agent, as the case may be, shall be cumulative and the Issuer or the Determination Agent shall be entitled to exercise its rights under whichever provision (or provisions) of these Conditions that may apply following the occurrence of the relevant event, as it may select in its discretion. The exercise by the Issuer or the

Determination Agent of a right under one provision shall not preclude the exercise by the Issuer or the Determination Agent of a right under another provision.

44. **Rights of Third Parties**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

PRO FORMA PRICING SUPPLEMENT FOR THE NEW YORK LAW NOTES

(to be issued by Morgan Stanley only)

PRICING SUPPLEMENT NO. [NY-][]

(To Offering Circular Dated 26 June 2020)

MORGAN STANLEY

NOTES, SERIES [A/B]

[Description of Notes]

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. [Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 26 June 2020 [and the supplemental Offering Circular[s] dated 26] ([together,] the "**Offering Circular**").] /[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 26 June 2020 [and the supplemental Offering Circular[s] dated[●]] which are incorporated by reference in the Offering Circular dated 26 June 2020 (together, the "**Offering Circular**").] This Pricing Supplement must be read in conjunction with such Offering Circular [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. [The Offering Circular [and the supplemental Offering Circular[s]] [is] [are] available for viewing at [*address*] [and] [*website*] and copies may be obtained from [*address*].]

Warning: Neither this Pricing Supplement nor the Offering Circular constitutes a "prospectus" for the purposes of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"), and the Pricing Supplement and the Offering Circular have been prepared on the basis that no prospectus shall be required under the Prospectus Regulation in relation to any Notes (as described below) be offered and sold under hereby.

[We, Morgan Stanley, may not redeem these Notes, Series [A/B] (*Description of Notes*) (the "**Notes**") prior to the maturity date other than under the circumstances described under "*Description of New York Law Notes - Tax Redemption*" in the accompanying Offering Circular.]

[We, Morgan Stanley, may redeem these Notes, Series [A/B] (*Description of Notes*) (the "**Notes**") (i) in accordance with the provisions of this Pricing Supplement and the accompanying Offering Circular (subject always to compliance with all applicable laws and regulations [and the requirements of [*insert listing authority*]], and (ii) under the circumstances described under "*Description of New York Law Notes - Tax Redemption*" in the accompanying Offering Circular.]

We will issue the Notes in registered form, which form is further described under "*Form of Notes*" in the accompanying Offering Circular. [The Notes will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.] [[We will apply to Euronext Dublin for admission of the Notes to the Official List of Euronext Dublin and trading on its Global Exchange Market] [We will apply to [name of listing authority] for admission of the Notes to [*specify list*] and to the [name of stock exchange] for admission of the Notes to [trading/quotation] on [*specify exchange or quotation system*]], subject to meeting the applicable admission requirements. [*name of stock exchange*] assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this document. Admission to [the Official List of Euronext Dublin and trading on its Global Exchange Market] is not to be taken as an indication of the merits of the Issuer or the Notes.]

We have described the basic feature of this type of Note in the section called "*Description of New York Law Notes* - [*Fixed/Floating*] *Rate Notes*" in the accompanying Offering Circular, subject to and as modified by the provisions described below.[1]

[1] If any Currency-Linked Notes, Commodity-Linked Notes, Equity-Linked Notes, Credit-Linked Notes, ETN-Linked Notes, Preference Share-Linked Notes, Notes with ADR provisions or Notes linked to the performance of any other underlying are issued, a drawdown prospectus will need to be prepared for any New York Law Notes which are to be admitted to listing and trading.

Principal Amount:	[]²	Annual Redemption Percentage Reduction:	[]
Issue Date:	[]	Calculation Agent:	[Morgan Stanley & Co. International plc][name of other Calculation Agent]
Maturity Date:	[]	Denomination:	[]
Settlement Date (Original Issue Date):	[]	[Minimum Trading:	[] Note(s) and multiples of [] Notes thereof]³
Interest Accrual Date:	[]	Interest Payment Dates:	[]
Issue Price:	[]	Optional Repayment Date(s):	[]
Specified Currency:	[]	Distribution Agent:	[]
Interest Payment Period:	[]	Paying Agent:	[]
Interest Payment Period End-Date:	[]	Common Code:	[]
Interest Rate:	[]	[Valoren Number:	[]]⁴
Redemption Percentage at Maturity:	[]	ISIN:	[]
Initial Redemption Percentage:	[]	Governing Law:	[]
Business Days:	[]	Other Provisions:	[]

THE NOTES ARE NOT DEPOSITS OR SAVINGS ACCOUNTS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR DEPOSIT PROTECTION SCHEME ANYWHERE, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

Additional provisions for Floating Rate Notes

Base Rate:	[]	Spread (Plus or Minus):	[]
Spread Multiplier:	[]	Index Currency:	[]
Index Maturity:	[]	Maximum Interest Rate:	[]
Minimum Interest Rate:	[]	Initial Interest Rate:	[]
Interest Reset Dates:	[]	Interest Determination Dates:	[]
Reporting Service:	[]	SONIA Compound with Lookback:	[Applicable / Not Applicable]
SONIA Compound Observation Period Shift:	[Applicable / Not Applicable]	[] Lookback Days:	[] London Banking Days
Observation Shift Days:	[] London Banking Days		

Additional provisions for Index-Linked Notes

The Index:	[]	Index Performance:	[]
Index Value:	[]	Initial Index Value:	[]
Adjustment Amount:	[]	Valuation Date:	[]
Relevant Exchange:	[]	Successor Index:	[]
Trading Day	[]	Additional Events of Default:	[]
Market Disruption Event:	[]	Other Provisions:	[]

Terms not defined above have the meanings given to those terms in the accompanying Offering Circular.

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2 Where the amount is not known at the beginning of the offer period (e.g. an "up to" amount), notices of final offer amount will need to be submitted where the Notes are to be listed or admitted to trading.

3 Delete for Notes which are not to be listed on the SIX Swiss Exchange.

4 Delete for Notes which are not to be listed on the SIX Swiss Exchange.

THE NOTES DESCRIBED HEREIN AND THE SECURITIES TO BE DELIVERED ON REDEMPTION 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 OF THE UNITED STATES. THE ISSUER IS NOT REGISTERED AND WILL NOT 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 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 "*NO OWNERSHIP BY U.S. PERSONS*" IN THE ACCOMPANYING OFFERING CIRCULAR DATED 26 JUNE 2020. IN PURCHASING THE NOTES, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON.

Status

The Notes constitute direct and general obligations of Morgan Stanley which rank *pari passu* among themselves.

Prescription

Under the law of the state of New York, claims for payment under the Notes are time-barred after six years from the time of breach.

United States Taxation

This discussion is limited to the U.S. federal tax issues addressed below. Additional issues may exist that are not addressed in this discussion and that could affect the federal tax treatment of an investment in the Notes. Investors should seek their own advice based upon their particular circumstances from an independent tax advisor.

A non-U.S. investor should review carefully the section entitled "United States Federal Taxation" in the Offering Circular.

[5][**Withholding on "Other Income" Coupon Payments**

The following discussion applies to Notes issued by Morgan Stanley that pay periodic coupons and provide for a payment at maturity or upon early settlement (other than the stated coupon) that is determined by reference to the performance of a Relevant Underlying and thus may be lower or higher than their issue price. The U.S. federal tax treatment of the Notes is unclear due to the absence of statutory, judicial or administrative authorities that directly address the Notes or similar securities, and no ruling is being requested from the Internal Revenue Service ("IRS") with respect to the Notes. Significant aspects of the U.S. federal income tax consequences of an investment in the Notes are uncertain, and no assurance can be given that the IRS or a court will agree with the tax treatment described herein. Accordingly, investors should consult their tax adviser regarding the U.S. federal income tax consequences of an investment in the Notes (including possible alternative treatment thereof).

[5] Insert for "other income" Notes issued by MS that are not principal-protected, pay periodic coupons and provide for a payment at maturity or early settlement that may be either lower or higher than the Notes' issue price based on the value of the underlying securities.

A non-U.S. investor should expect that a withholding agent will treat any coupon payments as subject to U.S. federal withholding tax at a rate of 30 per cent., unless the non-U.S. investor establishes an exemption under the "other income" provision of a Qualifying Treaty (as defined below) or, to the extent that any portion of a coupon payment is treated as interest for U.S. federal income tax purposes, an exemption under the “portfolio interest exemption” rules as described below.

An income tax treaty between a non-U.S. jurisdiction and the United States is a "Qualifying Treaty" if it provides for a 0 per cent. rate of tax on "other income" earned by a resident of the non-U.S. jurisdiction from sources within the United States. Accordingly, if a non-U.S. investor is a resident of a non-U.S. jurisdiction that qualifies for benefits under such a Qualifying Treaty, it should generally be eligible for an exemption under the "other income" provision referred to above if the non-U.S. investor complies with the certification requirement described in the section entitled "*United States Federal Taxation—Notes—Other Income Coupons*" in the Offering Circular. However, because most income tax treaties contain complex eligibility rules and limitations, a non-U.S. investor should consult its tax advisor about its eligibility for this exemption. To demonstrate eligibility for the "other income" exemption to the Issuer or an applicable withholding agent, a non-U.S. investor generally will be required to provide a properly completed Internal Revenue Service ("IRS") Form W-8BEN or W-8BEN-E certifying that it is not a U.S. person and that it is eligible for the benefits of the “other income” article of a Qualifying Treaty (or, if the non-U.S. investor holds its Notes through certain intermediaries, it may be permitted to provide alternative documentation in lieu of the appropriate Form W-8BEN or W-8BEN-E to establish that it is not a U.S. person and that it is eligible for the benefits of the “other income” article of a Qualifying Treaty) as discussed in the section entitled "*United States Federal Taxation—Notes—Other Income Coupons*" in the Offering Circular.

Notwithstanding the discussion above, because the U.S. federal income tax treatment of the Notes is unclear, any coupon payments on such Notes could alternatively be treated in whole or part as payments of interest. Nonetheless, even if the coupon payments are treated in whole or in part as interest and thus not eligible for the "other income" exemption described above, under current law and administrative practice a non-U.S. investor may qualify for the "portfolio interest exemption" with respect to the coupon payments if the non-U.S. investor has timely provided certifications to establish that it is not a U.S. person and certain other conditions are met, as discussed in the section entitled "*United States Federal Taxation—Notes—Interest*" in the Offering Circular.

As described in “*United States Federal Taxation*” in the Offering Circular, U.S. withholding may also be imposed in other circumstances, such as under FATCA, the U.S. backup withholding rules or Section 871(m) of the Internal Revenue Code.

If withholding is so required, the relevant Issuer will not be required to pay any additional amounts with respect to the amounts so withheld.]

ADDITIONAL SELLING RESTRICTIONS

[]

[**PURPOSE OF PRICING SUPPLEMENT**

This Pricing Supplement comprises the pricing supplement required to list and have admitted to trading on [specify relevant market] the issue of Notes described herein pursuant to the Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates.]

POTENTIAL SECTION 871(m) TRANSACTION

Please see paragraph 10 of Part B – Other Information to this Pricing Supplement for additional information regarding withholding under Section 871(m) of the Code.

[**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS:**

IF THE PRICING SUPPLEMENT IN RESPECT OF ANY NOTES INCLUDES A LEGEND ENTITLED "PROHIBITION OF SALES TO EEA AND 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 EUROPEAN ECONOMIC AREA OR IN THE UNITED KINGDOM. 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, IF THE PRICING SUPPLEMENT IN RESPECT OF ANY NOTES INCLUDES A LEGEND ENTITLED "PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS", 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 OR IN THE UNITED KINGDOM 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 OR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.][6]

[**NO MATERIAL ADVERSE CHANGE**

Except as disclosed in the Pricing Supplement, there has been no significant change in the financial or trading position of the Issuer and no material adverse change in the prospects of the Issuer's consolidated group since [].][7]

[LAST TRADING DAY: []][8]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [(Relevant third party information) has been extracted from [] (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

6 Prior to the date of application of the PRIIPs Regulation, this legend is not required and "Prohibition of Sales to EEA and UK Retail Investors" (see Part B, Para 11) may be specified as "Not Applicable". This legend will be required after the date of application of the PRIIPs Regulation if "Prohibition of Sales to EEA and UK Retail Investors" is specified as being "Applicable" (See Part B, Para 11).

7 Delete for Notes which are not to be listed on the SIX Swiss Exchange.

8 Delete for Notes which are not to be listed on the SIX Swiss Exchange.

PART B – OTHER INFORMATION

1. **LISTING**

Listing and admission to trading:	[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market with effect from [].] [Application [has been made/is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Luxembourg Stock Exchange's Euro MTF market] and to the Official List of the Luxembourg Stock Exchange with effect from [].] [Application [has been made/is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to listing on the SIX Swiss Exchange and to trading on the main segment of the SIX Swiss Exchange with effect from [].] [Application [has been made/is expected to be made] by the Issuer (or on its behalf) to the Gibraltar Stock Exchange (GSX Limited) for the Notes to be listed on the Global Market of the Gibraltar Stock Exchange with effect from [].] [No assurances can be given that such application for listing and/or admission to trading will be granted (or, if granted, will be granted by [] [the Issue Date.]] [The Issuer has no duty to maintain the listing (if any) of the Notes on the relevant stock exchange(s) over their entire lifetime.] [Not Applicable.] (*Where documenting a fungible issue, indicate that original securities are already admitted to trading.*)
[Last day of Trading:]	[]]
[Estimate of total expenses related to admission to trading:	[]]

2. **RATINGS**

Ratings:	[The Notes will not be rated.] [The Notes to be issued have been rated: [S & P: []] [Moody's: []] [Fitch: []] [[Other]: []]] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.)*

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

[]

(Include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer"].

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i)	Reasons for the offer:	[] (*If reasons for offer different from making profit and/or hedging certain risks, include those reasons here.*)]
[(ii)]	Estimated net proceeds:	[] (*It is only necessary to include disclosure of net proceeds where disclosure is included at (i) above, although either estimated net proceeds or estimated total expenses at (iii) below should be disclosed.*)
[(iii)]	Estimated total expenses:	[] [Include breakdown of expenses.] (*It is only necessary to include disclosure of total expenses where disclosure is included at (i) above, although either estimated total expenses or estimated net proceeds at (ii) above should be disclosed.*)

5. **[Fixed Rate Notes only – YIELD[9]**

Indication of yield: []

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[[Floating Rate Notes only – HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].][10]

7. **[Notes linked to a Relevant Underlying only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, [EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS][11] AND OTHER INFORMATION CONCERNING THE UNDERLYING**

(*Include details of where past and future performance and volatility of the index/equity/ commodity/currency/inflation/formula/other variable can be obtained. Where the underlying is an index, include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer, include details of where the information about the index can be obtained. Where the underlying is not an index, include equivalent information,*

[9] Only applicable where the Notes are to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market and are "debt securities" under the rules of Euronext Dublin.

[10] Only applicable where the Notes are to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market and are "derivative securities" under the rules of Euronext Dublin

[11] Only applicable where the Notes are to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market and are "derivative securities" under the rules of Euronext Dublin.

including the NAV source in relation to any fund. Include other information concerning the underlying required by the rules of Euronext Dublin.)

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information with regard to the underlying].

8. **[Dual Currency-Linked Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE [AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT][12]**

[]

(*Include details of where past and future performance and volatility of the relevant rate[s] can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying[s] and the circumstances when the risks are most evident.]*)

9. **OPERATIONAL INFORMATION**

ISIN:	[]
Common Code:	[]
[Valoren Number:	[]][13]
CFI:	[[]/Not Applicable]
FISN:	[[]/Not Applicable]
Form of Notes:	[Registered Notes: [Global Registered Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, and/or any other Relevant Clearing System exchangeable for Individual Note Certificates on 30 days' notice in the limited circumstances described in the Global Registered Note] [Individual Note Certificates]
Any clearing system(s) other than Euroclear Bank S.A./N.V,. Clearstream Banking *société anonyme*, and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*] [Japan Securities Depositary Center, Inc.] [Other relevant clearing system, as applicable]
Delivery:	Delivery [against/free of] payment
Name(s) and address(es) of initial Paying Agent(s):	[]
Name(s) and address(es) of additional Paying Agent(s) (if any):	[]

10. **POTENTIAL SECTION 871(m) TRANSACTION** [Not Applicable] / [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].] / [The Issuer has

[12] Only applicable where the Notes are to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market and are "derivative securities" under the rules of Euronext Dublin.
[13] Delete for Notes which are not to be listed on the SIX Swiss Exchange.

		determined that the Notes should not be subject to withholding under Section 871(m) of the Code because the Relevant Underlying is a "qualified index" under the applicable U.S. Treasury Regulations[, 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].] / [The Notes are U.S. equity linked Notes subject to withholding under Section 871(m) of the Code.] [For further information please [call [•]] / [visit our website at [•]] / [write to [•]].].]
11.	**Prohibition of Sales to EEA and UK Retail Investors:**	[Applicable]/[Not Applicable] (*If the offer of the Notes do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Notes may constitute "packaged" products and no "key information document" will be prepared, "Applicable" should be specified*)
12.	**BENCHMARKS REGULATION**	The Index is provided by the Index Sponsor. As at the date hereof, the Index Sponsor [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the Index Sponsor is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).]/[Not Applicable]

PRO FORMA PRICING SUPPLEMENT FOR THE ENGLISH LAW NOTES

[These Securities are Other Income Securities][14]

Pricing Supplement dated []

[Morgan Stanley / Morgan Stanley & Co. International plc / Morgan Stanley B.V. / Morgan Stanley Finance LLC] as Issuer

Legal Entity Identifier (LEI): [IGJSJL3JD5P30I6NJZ34][15] / [4PQUHN3JPFGFNF3BB653][16] / [KG1FTTDCK4KNVM3OHB52][17] / [5493003FCPSE9RKT4B56][18]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] due [●]

[to be consolidated and to form a single series with the Series [●] Tranche [1] [Title of Notes] due [●][19]]

[Guaranteed by Morgan Stanley]

under the

Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates

The Offering Circular referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area or in the United Kingdom (each, a "**Relevant State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Distribution Agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Distribution Agent has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

Warning: Neither this Pricing Supplement nor the Offering Circular referred to below constitutes a "prospectus" for the purposes of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"), and the Pricing Supplement and the Offering Circular have been prepared on the basis that no prospectus shall be required under the Prospectus Regulation in relation to any Notes be offered and sold under hereby.

THE NOTES ARE NOT DEPOSITS OR SAVINGS ACCOUNTS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR DEPOSIT PROTECTION SCHEME ANYWHERE NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

[**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS: IF THE PRICING SUPPLEMENT IN RESPECT OF ANY NOTES INCLUDES A LEGEND ENTITLED "PROHIBITION OF SALES TO EEA AND 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 EUROPEAN ECONOMIC AREA OR IN THE UNITED KINGDOM. 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");

[14] Insert if Morgan Stanley Finance LLC is the Issuer and the Notes are classified as Other Income Securities.
[15] Insert if Morgan Stanley is the Issuer.
[16] Insert if Morgan Stanley & Co. International plc is the Issuer.
[17] Insert if Morgan Stanley B.V. is the Issuer.
[18] Insert if Morgan Stanley Finance LLC is the Issuer.
[19] Insert language if the issue is a fungible tranche.

(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, IF THE PRICING SUPPLEMENT IN RESPECT OF ANY NOTES INCLUDES A LEGEND ENTITLED "PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS", 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 OR IN THE UNITED KINGDOM 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 OR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.][20]

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET:

SOLELY FOR THE PURPOSES OF THE MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT:

(A) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND

(B) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE.

ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A "DISTRIBUTOR") SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER'S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.]

[20] Prior to the date of application of the PRIIPs Regulation, this legend is not required and "Prohibition of Sales to EEA and UK Retail Investors" (see Part B, Para 6) may be specified as "Not Applicable". This legend will be required after the date of application of the PRIIPs Regulation if "Prohibition of Sales to EEA and UK Retail Investors" is specified as being "Applicable" (See Part B, Para 6).

PART A – CONTRACTUAL TERMS

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 U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. [THE ISSUER IS NOT REGISTERED AND WILL NOT REGISTER] [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 "*NO OWNERSHIP BY U.S. PERSONS*" IN THE ACCOMPANYING OFFERING CIRCULAR DATED 26 JUNE 2020. IN PURCHASING THE NOTES, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON.

[THE NOTES ARE NOT RATED.][21]

This document constitutes the Pricing Supplement relating to the issue of the Notes described herein. This Pricing Supplement must be read in conjunction with the Offering Circular dated 26 June 2020[22] [and the supplement[s] to the Offering Circular dated 26 June 2020 (the "**Offering Circular**"). Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. Copies of the Offering Circular are available from the offices of Morgan Stanley & Co. International plc at 25 Cabot Square, Canary Wharf, London, E14 4QA. The Offering Circular has also been published on the website of Euronext Dublin (www.ise.ie) and the Luxembourg Stock Exchange (www.bourse.lu).

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of the Notes set forth in the [base prospectus / offering circular] dated 26 June 2020 [and the supplement[s] to the [base prospectus / offering circular] dated 26 June 2020 which are incorporated by reference in the Offering Circular.][23]

[]

(*If the Notes reference a Proprietary Index then cross reference should be made to bespoke risk factors contained in the relevant Index Rules and consideration should be given as to whether with any additional disclosure or risk factors are required to be included (or cross-referred to) in the pricing supplement.*)

Information Concerning Investment Risk

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21 Delete if the Notes are rated.

22 Any offer by an issuer of Notes which full outside the scope of the Pricing Supplement, will be by way of a drawdown prospectus approved by the Luxembourg Stock Exchange rather than a pricing supplement.

23 Only include this language where it is a fungible issue and the original Tranche was issued under a base prospectus or offering circular with a different date.

(Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)

(When completing any pricing supplement, or adding any information, consideration should be given as to whether (i) such terms constitute a "significant change" or "significant new matter" for the purposes of the rules of the Global Exchange Market of Euronext Dublin and consequently trigger the need for a supplementary listing particulars; or (ii) whether such terms trigger any other disclosure obligations pursuant to the rules of the Luxembourg Stock Exchange, SIX Swiss Exchange or the Gibraltar Stock Exchange).

GENERAL

1.	[(i)]	Issuer:	[Morgan Stanley/Morgan Stanley & Co. International plc/Morgan Stanley B.V./Morgan Stanley Finance LLC]
	[(ii)	[Guarantor:]	[Morgan Stanley]
2.	(i)	Series Number:	[]
	[(ii)	[Tranche Number:]	[]
	(*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*).		[Fungible with the Series [●] Tranche [1] [Title of Notes] due [●] issued by [Morgan Stanley], bearing ISIN [●]. To be consolidated to form a single series with Tranche [1] with effect as of the Issue Date of Tranche [2]]
3.	Specified Currency or Currencies:		[]
4.	Aggregate [Nominal Amount]/[Number] of the Notes:		[] [In respect of the Tranche [2] Notes, [●] and the total Aggregate Nominal Amount of [●] represents the sum of the aggregate nominal amounts of Tranche 1 and Tranche 2 as of their respective issue dates]
	[(i)]	Series:	[]
	[(ii)	Tranche:	[]]
5.	Issue Price		[] per cent. of par per Note/[] per Note
6.	(i)	Specified Denominations:	[] [and integral multiples of [] in excess thereof]. (*N.B. where multiple denominations above €100,000 (or its equivalent in other currencies) are being used the following sample wording should be followed*: [€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]"]) (*NB: The exchange upon notice at any time shall not be applicable if this language is used. Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on*

			issue by a Permanent Bearer Global Notes exchangeable for Definitive Notes.)
			(N.B. Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies)).
	(ii)	Calculation Amount (Par):	[]
	[(iii)	Minimum Trading:	[] Note(s) and multiples of [] Note(s) thereof][24]
7.	(i)	Issue Date:	[]
	[(ii)]	[Tranche 1 Issue Date:]	[]][25]
	[(iii)]	[Tranche 2 Issue Date:]	[]
	(iv)	Trade Date:	[]
	(v)	Interest Commencement Date	[[] (*Specify)*/Issue Date/Not Applicable]
	[(vi)]	[Strike Date:]	[]
	[(vii)]	[Determination Date:]	[]
8.	Maturity Date:		[], [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 Date shall always be at least five (5) Business Days following the Determination Date.] (*specify date or (for Floating Rate Notes) Interest Payment Date falling in, or nearest to, the relevant month and year)*
9.	Interest Basis:		[[]% Fixed Rate] [*(specify reference rate*) +/– []% Floating Rate] [Zero Coupon] [Dual Currency Interest] [Equity and Proprietary Index-Linked Interest][26] [Commodity-Linked Interest] [Currency-Linked Interest] [Credit-Linked Interest]

[24] Delete for Notes which are not to be listed on the SIX Swiss Exchange.
[25] Delete if not an additional Tranche issue
[26] Specify if interest provisions are linked to ETF Interests or a Basket of ETF Interests.

		[ETN-Linked Interest] [Inflation-Linked Interest] [Property-Linked Interest] [Fund-Linked Interest] [Futures Contract-Linked Interest] [Preference Share-Linked Interest] [Other (*specify*)] *(further particulars specified below)* *(include all that apply)*
10.	Redemption/Payment Basis:	[Redemption at Par] [Redemption at Final Redemption Amount] [Dual Currency Redemption] [Equity and Proprietary Index-Linked Redemption][27] [Commodity-Linked Redemption] [Currency-Linked Redemption] [Credit-Linked Redemption] [ETN-Linked Redemption] [Inflation-Linked Redemption] [Property-Linked Redemption] [Fund-Linked Redemption] [Futures Contract-Linked Redemption] [Preference Share-Linked Redemption] [Partly Paid] [Instalment] [Other (specify)] (*include all that apply)*
11.	Change of Interest or Redemption/Payment Basis:	[] *(Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis)*

[27] Specify if redemption provisions are linked to ETF Interests or a Basket of ETF Interests.

12.	Put/Call Options/Autocallable Early Redemption:		
	(i)	Redemption at the Option of the Issuer: (Condition 23.5)	[Applicable/Not Applicable]
	(ii)	Redemption at the Non-discretionary Option of the Issuer (Condition 23.6)	[Applicable/Not Applicable]
	(ii)	Redemption at the Option of Noteholders: (Condition 23.8)	[Applicable/Not Applicable]
	(iii)	Autocallable Early Redemption: (Condition 20)	[Applicable/Not Applicable]
	(iv)	Other put/call options:	[Applicable/Not Applicable]
13.	(i)	Status of the Notes: (Condition 4)	[As set out in Condition 4.1]
	[(ii)	Status of the Guarantee:	As set out in Condition 4.2]
14.	Method of distribution:		[Syndicated/Non-syndicated]

RELEVANT UNDERLYING

15.			
(A)	Single Share Notes, Share Basket Notes: (Condition 10)		(*If Not Applicable, delete sub-paragraph (A)*)
	(i)	Whether the Notes relate to a single share or a basket of shares (each, a "**Share**") and the identity of the relevant issuer(s) and class of the Share (each, a "**Share Issuer**"	[Single Share Notes]/[Share Basket Notes] (a) Share/Shares: [] (*ISIN:* []*)* (b) Share Issuer(s): [] *(insert (c) and (d) below for ADRs/GDRs)* [(c) Underlying Share/Shares: (*ISIN:* []*)* (d) Underlying Share Issuer(s): []]
	(ii)	Partial Lookthrough ADR Provisions:	[Applicable/Not Applicable] *(Applicable for Russian ADRs/GDRs)*
	(iii)	Full Lookthrough ADR Provisions:	[Applicable/Not Applicable]
	(iv)	Exchange(s):	[] / [(China Connect [– ChiNext Shares])]
	(v)	Related Exchange(s):	[]/[All Exchanges]/[None specified]
(B)	Single Index Notes, Index Basket Notes:		(*If Not Applicable, delete sub-paragraph (B))*

(Condition 10)

(i)	Whether the Notes relate to a single index or a basket of indices (each, an "**Index**") and the identity of the Sponsor of an Index (each, an "**Index Issuer**")	[Single Index Notes]/[Index Basket Notes] [], sponsored by [] (*Bloomberg® code*: []) (*specify Index/Indices/Index Sponsors*) (*If Single Index Notes only, include sub-paragraph below*)
(ii)	Proprietary Index:	The Index [is] / [is not] a Proprietary Index
(iii)	Exchange(s):	[] / [(China Connect [– ChiNext Shares])] / Multi-Exchange is applicable *(specify Exchange or Multi-Exchange Index in relation to each Index)*
(iv)	Related Exchange(s):	[]/[All Exchanges]/[None specified]
(v)	Benchmark Trigger Provisions:	[Applicable][Not Applicable]
(vi)	Alternative Pre-nominated Index:	[None][*Specify*] (*specify in respect of each Relevant Equity Index Benchmark*)

(C) Single ETF Notes, ETF Basket Notes: (*If Not Applicable, delete sub-paragraph (C))*

(Condition 10)

(i)	Whether the Notes relate to a single ETF or a basket of ETFs (each, an "**ETF Interest**" and the identity of the related ETF (each, an "**ETF**")):	[Single ETF Notes]/[ETF Basket Notes] *(specify ETF Interest(s) and ETF(s))* *(*ISIN*: [])*
(ii)	Exchange(s):	[]
(iii)	Related Exchange(s):	[]/[All Exchanges]/[None specified]

(D) Commodity-Linked Notes: (*If Not Applicable, delete sub-paragraph (D))*

(Condition 11)

(i)	Commodity/ies or Commodity Index/Indices:	[] (*if applicable, specify whether Non Metal, Base Metal or Precious Metal*)
(ii)	Commodity Reference Price:	(*specify Commodity Reference Price)*
(iii)	Exchange:	[]
(iv)	Benchmark Trigger Provisions:	[Applicable][Not Applicable]
(v)	Alternative Pre-nominated Index:	[None][*Specify*] (*specify in respect of each Relevant Commodity Benchmark*)
(vi)	Other Relevant Commodity Benchmark:	[None][*Specify*] (*specify in respect of each Relevant Commodity Benchmark*)

(E)	Currency-Linked Notes:		(*If Not Applicable, delete sub-paragraph (E))*
	(Condition 12)		
	(i)	Settlement Currency:	[]
	(ii)	Reference Currency:	[]
	(iii)	Event Currency:	[Reference Currency][*Specify other*]
	(iv)	Specified Amount:	[]
	(v)	Settlement Rate:	[]
	(vi)	Reference Source:	[]
	(vii)	Benchmark Trigger Provisions:	[Applicable][Not Applicable]
	(viii)	Other Relevant FX Benchmark:	[None][*Specify*] (*specify in respect of each Relevant FX Benchmark*)
	(ix)	Additional Currency Financial Centre (paragraph (a) of the definition of Currency Business Day):	[Not Applicable]/[*Specify*] (*specify any additional currency centres required for the purposes of paragraph (a) of the definition of "Currency Business Day" for Valuation Date purposes*
	(x)	Additional Currency Financial Centre (paragraph (b) of the definition of Currency Business Day):	[Not Applicable]/[*Specify*] (*specify any additional currency centres required for the purposes of paragraph (b) of the definition of "Currency Business Day"*
(F)	Inflation-Linked Notes:		(*If Not Applicable, delete sub-paragraph (F))*
	(Condition 13)		
	(i)	Index/Indices:	[], sponsored by [] (*Bloomberg® code*: []) (*specify Index/Indices/Index Sponsors (including place of*)
(G)	Property-Linked Notes:		(*If Not Applicable, delete sub-paragraph (G))*
	(Condition 14)		
	(i)	Property Index:	[]
	(ii)	Benchmark Trigger Provisions:	[Applicable][Not Applicable]
	(iii)	Alternative Pre-nominated Index:	[None][*Specify*] (*specify in respect of each Relevant Property Index Benchmark*)
(H)	Fund-Linked Notes:		(*If Not Applicable, delete sub-paragraph (H))*
	(Condition 15)		
	(i)	Fund:	[][28] *(specify)*

[28] In order for Notes to be listed on Euronext Dublin: (i) there must be a publically available price source for the Fund and (ii) the Fund must be either (a) a UCITS or (b) an investment fund authorised by the CBI or other competent authority of an EU member state.

	(ii)	Fund Interest:	[] *(ISIN: []) (specify)*
	(iii)	Basket of Funds:	[] *(specify or delete if not applicable, include any relevant weightings of each Fund)*
	(iv)	Market of Listing for Fund:	[]/[Not Applicable]
(I)	Futures Contract-Linked Notes		*(if not applicable, delete sub-paragraph (I))*
	(Condition 16)		
	(i)	Whether the Notes relate to a single futures contract or a basket of futures contracts (each, a "**Futures Contract**"):	[Single Futures Contract-Linked Notes] [Futures Contract Basket-Linked Notes]
	(ii)	Futures Contract(s):	[*Specify name of futures contract*] [having an Expiry Date scheduled to fall [on] [immediately before] [immediately after] [●] [*specify date*]] (*In respect of each Scheduled Reference Date and Scheduled Averaging Date, where the final settlement price is being referenced, the Scheduled Reference Date or Scheduled Averaging Date (as applicable) should be expressed as "The Expiry Date"*)
	(iii)	Futures Contract Underlier(s):	[●] [None specified]
	(iv)	Exchange:	[●]
	(v)	Benchmark Trigger Provisions:	[Applicable] [Not Applicable]
	(vi)	Alternative Pre-nominated Futures Contract[s]:	[●] [None][*Specify*] (*specify in respect of each Relevant Futures Contract Benchmark*)
(J)	Preference Share-Linked Notes		(*If Not Applicable, delete sub-paragraph (J))*
	(Condition 19)		
	(i)	Preference Share:	Series […] issued by the Preference Share Issuer on […] which references the performance of […], […] and […]. *(ISIN: [])* *(specify)*
	(ii)	Preference Share Issuer:	Sienna Finance UK Limited
	(iii)	Preference Share Underlying Market of Listing / Price Source:	[*In the case of equities or funds, insert relevant stock exchange. In the case of indices or currencies, insert relevant Bloomberg page*.]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions		[Applicable/Not Applicable]
	(Condition 5)		(*If Not Applicable, delete the remaining sub-paragraphs of this paragraph*)

	(i)	Rate(s) of Interest:	[] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ other (*specify*)] in arrear]
	(ii)	Interest Period:	[As set out in Condition 2.1 / *(Insert "Unadjusted" if the application of the relevant Business Day Convention is not intended to affect the Interest Period)*]
	(iii)	Interest Payment Date(s):	[] in each year [adjusted in accordance with (*specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"*)/not adjusted]
	(iv)	Fixed Coupon Amount[(s)]:	[] per Calculation Amount
	(v)	Broken Amount(s):	[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
	(vi)	Day Count Fraction:	[Actual/Actual; Actual/365(Fixed); Actual/360; 30/360; 30E/360; Eurobond Basis; Bond Basis; Actual/Actual (ICMA); other]
	(vii)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment/ other (*give details*)]
	(viii)	Additional Business Centre(s):	[]
	(ix)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/(*give details)*]
	(x)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[]
	(xi)	Additional provisions for determining Interest Amount:	[]/[Not Applicable]
17.	Floating Rate Note Provisions		[Applicable/Not Applicable]
	(Condition 6)		(*If Not Applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Payment Dates:	[]
	(ii)	First Interest Payment Date:	[] (*delete if not applicable*)
	(iii)	Interest Period:	[As set out in Condition 2.1 / (*Insert "Unadjusted" if the application of the relevant Business Day Convention is not intended to affect the Interest Period*)]
	(iv)	Interest Period End Dates:	[Each Interest Payment Date]/ [*specify other*]
	(iv)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment/ other (*give details*)]

(v)	Specified Period:	[]/[Not Applicable]
(vi)	Additional Business Centre(s):	[]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other *(give details)*]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[]
(ix)	Screen Rate Determination:	[Applicable/Not Applicable]
	(a) Reference Rate:	[]
	(b) Interest Determination Date(s):	[]
	(c) Relevant Screen Page:	[]
	(d) Relevant Time:	[]
	(e) Reference Banks:	[]
	(f) Relevant Financial Centre:	[]
(x)	ISDA Determination:	[Applicable/Not Applicable]
	(a) Floating Rate Option:	[]
	(b) Designated Maturity:	[]
	(c) Reset Date:	[]
(xi)	Margin(s):	[+/-][] per cent. per annum
(xii)	Minimum Rate of Interest:	[] per cent. per annum
(xiii)	Maximum Rate of Interest:	[] per cent. per annum
(xiv)	Day Count Fraction:	[]
(xv)	Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[]
(xvi)	Condition 6.5 (*Provisions specific to SOFR as Reference Rate*):	[Applicable]/[Not Applicable]
(xvii)	Condition 6.6 (*Provisions specific to SONIA as Reference Rate*):	[Applicable]/[Not Applicable] (*if not applicable delete the remaining sub-paragraphs of this paragraph*)
	(1) SONIA Compound with Lookback:	[Applicable Lookback Days: [] London Banking Days]/

			[Not Applicable]
		(2) SONIA Compound Observation Period Shift:	[Applicable Observation Shift Days: [] London Banking Days]/ [Not Applicable]
	(xviii)	Condition 6.14 (*Relevant Rates Benchmark Discontinuance or Prohibition on Use*):	[Applicable][Not Applicable][29] (*if not applicable delete the remaining sub-paragraphs of this paragraph*)
		(1) Other Relevant Rates Benchmark:	[*specify*][Not Applicable] (*specify any applicable Relevant Rates Benchmark Rate which is not a Reference Rate. Otherwise delete line*
		(2) Alternative Pre-nominated Reference Rate:	[*specify*][Not Applicable] (*specify in respect of each Relevant Rates Benchmark*)
		(3) Administrator/Benchmark Event applicable for Condition 6.14 (d):	[Applicable as per the Conditions] [Not Applicable]
	(xix)	Additional provisions for determining Interest Amount:	[]/[Not Applicable]
18.	Zero Coupon Note Provisions		[Applicable/Not Applicable]
	(Condition 7)		(*If Not Applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Accrual Yield:	[] per cent. per annum
	(ii)	Reference Price:	[]
	(iii)	Day Count Fraction:	[]
	(iv)	Additional Business Centre(s):	[]
	(v)	Any other formula/basis of determining amount payable:	[]
19.	Dual Currency-Linked Note Interest Provisions		[Applicable/Not Applicable]
	(Condition 8)		(*If Not Applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Rate of Exchange/method of calculating Rate of Exchange:		*(give details)*
	(ii) Party, if any, responsible for calculating the Rate(s) of interest and/or Interest Amount(s):		[]
	(iii) Provisions applicable where calculation by reference to Rate of		[]

[29] Not applicable where the Relevant Rates Benchmark is U.S. Dollar LIBOR.

	Exchange impossible or impracticable or otherwise disrupted:	(*Include a description of market disruption or settlement disruption events and adjustment provisions*)
	(iv) Person at whose option Specified Currency(ies) is/are payable:	[]
	(v) Other special terms and conditions:	[]
20.	Equity and Proprietary Index-Linked Interest Note Provisions: (Condition 10)	[Applicable/Not Applicable]
(A)	[Single Share Notes]/[Share Basket Notes]:	[Applicable/Not Applicable] *(if not applicable, delete sub-paragraph (A))* *(if Single Share Notes, delete sub-paragraph below)*
	(i) Scheduled Trading Days and Disrupted Dates:	[Common Scheduled Trading Days and Common Disrupted Days: Applicable] [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable] [Common Scheduled Trading Days and Individual Disrupted Days: Applicable] *(select one as appropriate and delete the other two)*
	(ii) Partial Lookthrough Depositary Receipt Provisions:	[Applicable/Not Applicable]
	(iii) Full Lookthrough Depositary Receipt Provisions:	[Applicable/Not Applicable]
	(iv) Weighting for each Share comprising the Basket of Shares:	[]/[Not Applicable]
	(v) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[]
	(vi) Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculated by reference to one or more Shares:	[]
	(vii) Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculation by reference to one or more Shares is impossible or impracticable or otherwise disrupted:	[] *(Include a description of market disruption or settlement disruption events and adjustment provisions)*

(viii)	Interest Determination Date(s):	[]
(ix)	Interest Period:	[As set out in Condition 2.1 /[Unadjusted]] (*Insert "Unadjusted" if the Application of the relevant Business Day Convention is not intended to affect the Interest Period*)
(x)	Valuation Date(s):	[]
(xi)	Specified Interest Payment Dates:	[]
(xii)	Averaging Date(s):	[Applicable/Not Applicable]
(xiii)	Averaging Date Disruption:	[Omission/Postponement/Modified Postponement]
(xiv)	Observation Date(s):	[]
(xv)	Observation Period(s):	[]
(xvi)	Additional Disruption Events:	Change in Law, Hedging Disruption, Loss of Stock Borrow, [and] Increased Cost of Hedging[, China Connect Service Termination, [and] China Connect Share Disqualification [and ChiNext Event]] shall apply. *(specify if any are not applicable, or any further Additional Disruption Events)* [For the avoidance of doubt, the Issuer and/or its affiliates are not obliged to hedge by using any quota granted to it or its affiliates under the Qualified Foreign Institutional Investor (QFII) or Renminbi Qualified Foreign Institutional Investor (RQFII) schemes.] *(include this language if China Connect Service Termination and China Connect Share Disqualification are specified as Additional Disruption Events)*
(xvii)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment/ other (*give details*)]
(xviii)	Additional Business Centre(s):	[]
(xix)	Day Count Fraction:	[]
(xx)	Minimum Rate/Amount of Interest:	[] per cent. per annum
(xxi)	Maximum Rate/Amount of Interest:	[] per cent. per annum
(xxii)	Other special terms and conditions:	[] / [In making any determination of adjustment to the terms of the Notes to account for the economic effect on the Notes of the relevant Market Disruption Event, Potential Adjustment Event, Extraordinary Event, Additional Disruption Event

			or otherwise, the Determination Agent shall take into account any requirement, adjustment and/or limitation that may be imposed by the China Connect Service or any action or inaction by any one or more of the Exchange, SEHK, CSDCC and HKSCC in relation to such event in respect of Shares held through the China Connect Service.] *(include this language if China Connect Service provisions are specified)*
(B)	[Single Index Notes]/[Index Basket Notes]:		*(If not applicable, delete sub-paragraph (B))* *(if Single Index Notes, delete sub-paragraph below)*
	(i)	Scheduled Trading Days and Disrupted Dates:	[Common Scheduled Trading Days and Common Disrupted Days: Applicable] [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable] [Common Scheduled Trading Days and Individual Disrupted Days: Applicable] *(select one as appropriate and delete the other two)*
	(ii)	Weighting for each Index:	[[] *(insert details)*/Not Applicable]
	(iii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[]
	(iv)	Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculated by reference to Index:	[]
	(v)	Interest Determination Date(s):	[]
	(vi)	Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculation by reference to Index is impossible or impracticable or otherwise disrupted:	[] *(Include a description of market disruption or settlement disruption events and adjustment provisions)*
	(vii)	Interest Period:	[As set out in Condition 2.1 / Unadjusted] (*Insert "Unadjusted" if the application of the relevant Business Day Convention is not intended to affect the Interest Period*)
	(viii)	Valuation Date(s):	[]
	(ix)	Specified Interest Payment Dates:	[]
	(x)	Averaging Date:	[Applicable/Not Applicable]

	(xi)	Averaging Date Disruption:	[Omission/Postponement/Modified Postponement]
	(xii)	Observation Date(s):	[]
	(xiii)	Observation Period:	[]
	(xiv)	Additional Disruption Events:	Change in Law, Hedging Disruption, [and] Increased Cost of Hedging[, China Connect Service Termination, [and] China Connect Share Disqualification [and ChiNext Event]] shall apply. *(specify if any are not applicable, or any further Additional Disruption Events)* [For the avoidance of doubt, the Issuer and/or its affiliates are not obliged to hedge by using any quota granted to it or its affiliates under the Qualified Foreign Institutional Investor (QFII) or Renminbi Qualified Foreign Institutional Investor (RQFII) schemes.] *(include this language if China Connect Service Termination and China Connect Share Disqualification are specified as Additional Disruption Events)*
	(xv)	Proprietary Index Additional Market Disruption Event:	[Not Applicable / (*specify*)]
	(xvi)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment/ other (*give details*)]
	(xvii)	Additional Business Centre(s):	[]
	(xviii)	Minimum Rate/Amount of Interest:	[] per cent. per annum
	(xix)	Maximum Rate/Amount of Interest:	[] per cent. per annum
	(xx)	Day Count Fraction:	[]
	(xxi)	Other special terms and conditions:	[] / [In making any determination of adjustment to the terms of the Notes to account for the economic effect on the Notes of the relevant Market Disruption Event, Potential Adjustment Event, Extraordinary Event, Additional Disruption Event or otherwise, the Determination Agent shall take into account any requirement, adjustment and/or limitation that may be imposed by the China Connect Service or any action or inaction by any one or more of the Exchange, SEHK, CSDCC and HKSCC in relation to such event in respect of Shares held through the China Connect Service.] *(include this language if China Connect Service provisions are specified)*
(C)	[Single ETF Notes]/[ETF Basket Notes]:		*(if not applicable, delete sub-paragraph (C))*

		(if Single ETF Notes, delete sub-paragraph below)
(i)	Scheduled Trading Days and Disrupted Dates:	[Common Scheduled Trading Days and Common Disrupted Days: Applicable] [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable] [Common Scheduled Trading Days and Individual Disrupted Days: Applicable] *(select one as appropriate and delete the other two)*
(ii)	Weighting for each ETF Interest comprising the basket:	[[] (*Insert details)/* N/A]
(iii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[]
(iv)	Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculated by reference to one or more ETFs:	[]
(v)	Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculation by reference to one or more ETFs is impossible or impracticable or otherwise disrupted:	[] *(Include a description of market disruption or settlement disruption events and adjustment provisions)*
(vi)	Interest Determination Date(s):	[]
(vii)	Interest Period:	[As set out in Condition 2.1/[*Insert "Unadjusted" if the application of the relevant Business Day Convention is not intended to affect the Interest Period*]
(viii)	Valuation Date(s):	[]
(ix)	Specified Interest Payment Dates:	[]
(x)	Averaging Date:	[Applicable/Not Applicable]
(xi)	Averaging Date Disruption:	[Omission/Postponement/Modified Postponement]
(xii)	Observation Date(s):	[]
(xiii)	Observation Period:	[]
(xiv)	Additional Disruption Events:	Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging shall apply

			(specify if any are Not Applicable, or any further Additional Disruption Events)
	(xv)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment/ other (*give details*)]
	(xvi)	Additional Business Centre(s):	[]
	(xvii)	Day Count Fraction:	[]
	(xviii)	Minimum Rate/Amount of Interest:	[] per cent. per annum
	(xix)	Maximum Rate/Amount of Interest:	[] per cent. per annum
	(xx)	Other special terms and conditions:	[]
21.	Commodity-Linked Interest Note Provisions (Condition 11)		[Applicable/Not Applicable] *(if Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Weighting:	[]
	(ii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[]
	(iii)	Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculated by reference to Commodity/ies and/or Index:	[]
	(iv)	Interest Determination Date(s):	[]
	(v)	Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculation by reference to Commodity/ies and/or Index is impossible or impracticable or otherwise disrupted:	[]
	(vi)	Interest Period:	[As set out in Condition 2.1/(*Insert "Unadjusted" if the application of the relevant Business Day Convention is not intended to affect the Interest Period)*]
	(vii)	Specified Interest Payment Dates:	[]
	(viii)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/No Adjustment/other *(give details)*]
	(ix)	Additional Business Centre(s):	[]

(x)	Minimum Rate/Amount of Interest:	[] per cent. per annum
(xi)	Maximum Rate/Amount of Interest:	[] per cent. per annum
(xii)	Price Source:	[] *(specify for each Commodity)*
(xiii)	Specified Price:	[high][low][average of high and low][closing price][opening price][bid] [asked] [average of high and low prices][settlement price][official settlement price][official price][morning fixing][afternoon fixing][spot price][Other *(specify)*] *(if appropriate, specify time as of which the price will be determined)*
(xiv)	Delivery Date:	[] *(specify whether price based on spot market, First Nearby Month, Second Nearby Month, etc.)*
(xv)	[Pricing Date:	[]]
(xvi)	Common Pricing:	[Applicable] [Not Applicable] *(include only if Basket of Commodities)*
(xvii)	Commodity Disruption Events:	[Price Source Disruption] [Trading Disruption] [Disappearance of Commodity Reference Price] [Material Change in Formula] [Material Change in Content] [Tax Disruption] [Not Applicable] *(specify any applicable additional Commodity Disruption Events)*
(xviii)	Commodity Disruption Fallback:	[Determination Agent Determination as defined in Condition 11.3 /Other *(specify)*]
(xix)	Commodity Index Disruption Events:	As per Condition 11.6(a)
(xx)	Commodity Index Disruption Fallback	As per Condition 11.6(b)
(xxi)	Physical Hedging Fallback:	[Applicable/Not Applicable]
(xxii)	Day Count Fraction:	[]

	(xxiii)	Other special terms and conditions:	[]
22.	[Currency-Linked Interest Note Provisions (Condition 12)		[Applicable] [Not Applicable] *(if Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[]
	(ii)	Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculated by reference to other variable:	[]
	(iii)	Interest Determination Date(s):	[]
	(iv)	Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculation by reference to other variable is impossible or impracticable or otherwise disrupted:	[] *(Include a description of market disruption or settlement disruption events and adjustment provisions)*
	(v)	Interest Period:	[As set out in Condition 2.1 / (*Insert "Unadjusted" if the application of the relevant Business Day Convention is not intended to affect the Interest Period)*]
	(vi)	Specified Interest Payment Dates:	[]
	(vii)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment/ other (*give details*)]
	(viii)	Additional Business Centre(s):	[]
	(ix)	Day Count Fraction:	[]
	(x)	Minimum Rate/Amount of Interest:	[] per cent. per annum
	(xi)	Maximum Rate/Amount of Interest:	[] per cent. per annum
	(xii)	Specified Time:	[]
	(xiii)	Valuation Date(s):	[]
	(xiv)	Averaging Date(s):	[]
	(xv)	Reference Dealers:	[]
	(xvi)	EM Unscheduled Holiday:	[Applicable/Not Applicable] (*If not applicable, delete the remaining provisions of this paragraph. If applicable, note that the provisions of Condition 12.4(a)(ii)(B) (Currency Disruption*

Fallbacks – Additional Price Source Disruption) shall not apply through the election of "Additional Price Source Disruption" in paragraph (xiii) below if so elected)

Maximum Days of Unscheduled Holiday Postponement: []

(xvii) Currency Disruption Events: [Price Source Disruption]

[Additional Price Source Disruption]: *(If not applicable, delete the remaining sub-paragraph of this paragraph)*

[Price Materiality Event:] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

Price Materiality Percentage: []

Primary Rate: []

Secondary Rate: []

[Dual Exchange Rate]

[General Inconvertibility]

[General Non-Transferability]

[Illiquidity

Minimum Amount: [Specified Amount][*Specify other*]

Illiquidity Valuation Date: [Not Applicable][*Specify*]]

[Governmental Authority Default]

[Nationalization]

[Material Change in Circumstance]

[Other *(specify)*]

(xviii) Currency Disruption Fallbacks: [Determination Agent Determination of Settlement Rate];

[Fallback Reference Price];

[Currency Reference Dealers]

[Specified Rate:

(*Specify one of:)*

Reference Currency bid exchange rate;

Reference Currency offer exchange rate;

Average of Reference Currency bid and offer exchange rates;

Settlement Currency bid exchange rate;

Settlement Currency offer exchange rate;

Average of Settlement Currency bid and offer exchange rates;

Official fixing rate;]

[Other *(specify)*]]

[EM Valuation Postponement

Maximum Days of EM Valuation Postponement: []]

[EM Valuation Fallback Postponement

Maximum Days of EM Valuation Fallback Postponement: []]

[Cumulative Events

Maximum Days of Cumulative Postponement: []]

[Other *(specify)*]

(where applicable, specify which Currency Disruption Fallback applies to which Currency Disruption Event, and if more than one Currency Disruption Fallback may apply to a Currency Disruption Event, the order in which such Currency Disruption Fallbacks will apply)

(xiii) Other special terms and conditions: []

23. Inflation-Linked Interest Note Provisions [Applicable/Not Applicable]

(Condition 13) *(if Applicable, insert relevant provisions)*

(i) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): []

(ii) Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculated by reference to Index: []

(iii) Interest Determination Date(s): []

(iv) Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculation by reference to Index is impossible or impracticable or otherwise disrupted: []

(Include a description of market disruption or settlement disruption events and adjustment provisions)

	(v)	Interest Period:	[As set out in Condition 2.1/(*Insert "Unadjusted" if the application of the relevant Business Day Convention is not intended to affect the Interest Period)*]
	(vi)	Specified Interest Payment Dates:	[]
	(vii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/No Adjustment/other (*give details*)]
	(viii)	Additional Business Centre(s):	[]
	(ix)	Day Count Fraction:	[]
	(x)	Minimum Rate/Amount of Interest:	[] per cent. per annum
	(xi)	Maximum Rate/Amount of Interest:	[] per cent. per annum
	(xii)	Other special terms and conditions:	[]
24.	Property-Linked Interest Note Provisions		[Applicable/Not Applicable]
	(Condition 14)		*(if Applicable, insert relevant provisions)*
	(i)	Property Index Level:	[]
	(ii)	Additional Disruption Event:	[Change in Law/Hedging Disruption/Increased Cost of Hedging/[] (*specify*)]
25.	Fund-Linked Interest Note Provisions (Condition 15)		[Applicable/Not Applicable] *(if applicable, insert relevant provisions)* *(if Single Fund Notes, delete sub-paragraph below)*
	(i)	Fund Business Days and Disrupted Dates:	[Common Fund Business Days and Common Disrupted Days: Applicable] [Individual Fund Business Days and Individual Disrupted Days: Applicable] [Common Fund Business Days and Individual Disrupted Days: Applicable] *(select one as appropriate and delete the other two)*
	(ii)	Cut-off Period: (Condition 15.1)	[] (*specify or delete if not applicable or if fallback is applicable)*
	(iii)	Final Cut-off Date: (Condition 15.1)	[] *(specify)*

(iv)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[]
(v)	Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculated by reference to Fund:	[]
(vi)	Interest Determination Date(s):	[]
(vii)	Interest Period:	[As set out in Condition 2.1/(*Insert "Unadjusted" if the application of the relevant Business Day Convention is not intended to affect the Interest Period)*]
(viii)	Specified Interest Payment Dates:	[]
(ix)	Valuation Date(s): (Condition 15.1)	[] (*specify or delete if not applicable or if fallback is applicable)*
(x)	Observation Date:	[]
(xi)	Averaging Date: (Condition 15.1)	[] (*specify or delete if not applicable or if fallback is applicable)*
(xii)	Scheduled Fund Valuation Date(s):	[] (*specify or delete if not applicable or if fallback is applicable)*
(xiii)	Scheduled Redemption Valuation Date:	[] (*specify or delete if not applicable or if fallback is applicable)*
(xiv)	Redemption Notice Date:	[] (*specify or delete if not applicable or if fallback is applicable)*
(xv)	Reference Price:	[Reported Net Asset Value][Redemption Proceeds] (*specify in respect of a Fund Interest)*
(xvi)	Non-Applicable Fund Event(s): (Condition 15.4)	[] *(specify if any Fund Events are not applicable)*
(xvii)	Additional Fund Event(s):	[Not Applicable][] (*specify any additional Fund Events)*
(xviii)	Fund Event Unscheduled Redemption:	[Applicable/Not Applicable]
(xix)	Successor Fund Interest Minimum Aggregate NAV:	[*specify*][As set out in Condition 15.4]
(xx)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment/ Other (*give details*)]
(xxi)	Additional Business Centre(s):	[]

	(xxii)	Other terms:	[] *(insert any other relevant terms)*
26.	Futures Contract-Linked Interest Note Provisions (Condition 16)		[Applicable/Not Applicable] *(if applicable, insert relevant provisions)* (*if Single Futures Contract-Linked Notes, delete sub-paragraph below*)
	(i)	Scheduled Trading Days and Disrupted Days:	[Common Scheduled Trading Days and Common Disrupted Days: Applicable] [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable] [Common Scheduled Trading Days and Individual Disrupted Days: Applicable] (*select one as appropriate and delete other two*)
	(ii)	Determination Agent responsible for calculating the Interest Amount:	[●]
	(iii)	Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculated by reference to Futures Contract:	[●]
	(iv)	Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculation by reference to Futures Contract is impossible or impracticable or otherwise disrupted:	[●] *(Include a description of market disruption or settlement disruption events and adjustment provisions)*
	(v)	Interest Determination Date(s):	[●]
	(vi)	Specified Number of Scheduled Trading Days:	[●] [As per Condition 16.7]
	(vii)	Specified Number of Common Scheduled Trading Days:	[●] [As per Condition 16.7]
	(viii)	Futures Contract Adjustment Events:	[Price Source Disruption] [Trading Restriction] [Disappearance of Futures Contract or Settlement Price] [Material Change in Formula] [Material Change in Content] [Tax Disruption] [Change of Exchange] [Illiquidity Event]
	(ix)	Adjustments for Futures Contract Adjustment Events:	(*Specify criteria for replacement of futures contract contemplated by Condition 16.4(a)(ii), if any)*
	(x)	Additional Disruption Events:	[Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
	(xi)	Correction Cut-Off Time:	[●]

	(xii)	Weighting for each Futures Contract comprising the Basket of Futures Contracts:	[*Insert details*] [N/A]
	(xiii)	Averaging Date(s):	[●]
	(xiv)	Averaging Date Disruption:	[Omission/Postponement/Modified Postponement]
	(xv)	Observation Date(s):	[●]
	(xvi)	Valuation Date(s):	[●]
27.	Credit-Linked Interest Note Provisions		[Applicable/Not Applicable]
	(Condition 17)		*(if Applicable, insert relevant provisions)*
28.	ETN-Linked Interest Note Provisions		[Applicable/Not Applicable]
	(Condition 18)		*(if Applicable, insert relevant provisions)*
	(i)	Exchange(s):	[]
29.	Preference Share-Linked Interest Note Provisions		[Applicable/Not Applicable] *(if Applicable, insert relevant provisions)*
	(Condition 19)		
	(i)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[]
	(ii)	Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculated by reference to one or more Preference Shares:	[]
	(iii)	Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculation by reference to one or more Preference Shares is impossible or impracticable or otherwise disrupted:	[] *(Include a description of market disruption or settlement disruption events and adjustment provisions)*
	(iv)	Interest Determination Date(s):	[] *(insert any additional provisions, for example applicable disruption provisions)*
	(v)	Interest Period:	[As set out in Condition 2.1 /[Unadjusted]] (*Insert "Unadjusted" if the Application of the relevant Business Day Convention is not intended to affect the Interest Period*)
	(vi)	Valuation Date(s):	[]
	(vii)	Specified Interest Payment Dates:	[]
	[(viii)	Averaging Date(s):	[Applicable/Not Applicable] *(insert relevant details)*

	(ix)	Averaging Date Disruption:	[] *(insert relevant details)*
	(x)	Observation Date(s):	[] *(insert relevant details)*
	(xi)	Observation Period(s):	[] *(insert relevant details)*]
	(xii)	Additional Disruption Events:	[Change in Law, Hedging Disruption, Insolvency Filing and Increased Cost of Hedging] shall apply (*delete any which are not applicable*)
	(xiii)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment/ other (*give details*)]
	(xiv)	Day Count Fraction:	[]
	(xv)	Other special terms and conditions:	[] *(insert any other relevant terms)*

PROVISIONS RELATING TO REDEMPTION

30.	Call Option		[Applicable/Not Applicable]
	(Condition 23.5 and Condition 23.6 (to the extent applicable))		*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[] per Calculation Amount
	(iii)	Maximum Call Notice Number of Day(s):	[] [calendar day[s]] / [Business Day[s]]
	(iv)	Minimum Call Notice Number of Day(s):	[5] [Business Day[s]] / [calendar day[s]][30]
31.	Put Option		[Applicable/Not Applicable]
	(Condition 23.8)		*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[] per Calculation Amount
	(iii)	Maximum Put Notice Number of Day(s):	[] [calendar day[s]] / [Business Day[s]]

[30] Euroclear/Clearstream require a minimum of 5 Business Days' notice to exercise a call option.

	(iv) Minimum Put Notice Number of Day(s):	[15] [Business Day[s]] / [calendar day[s]][31]
32.	Autocallable Early Redemption (Condition 20)	[Applicable/Not Applicable] *(If Not Applicable, delete the remaining sub-paragraphs of this paragraph) (if Applicable, insert relevant provisions)*
	(i) Autocallable Early Redemption Observation Date(s):	[]
	(ii) Autocallable Early Redemption Amount(s) of each Note and method and calculation of such amount(s):	[]
	(iii) Autocallable Early Redemption Date(s):	[]
33.	Final Redemption Amount of each Note (Condition 23.1)	[[] per Calculation Amount]/[Linked Redemption Amount specified below]
34.	Dual Currency Redemption Provisions (Condition 8)	[Applicable /Not Applicable]
	(i) Rate of Exchange/method of calculating Rate of Exchange:	[] *(give details)*
	(ii) Determination Agent responsible for calculating the Final Redemption Amount:	[]
	(iii) Provisions for determining Final Redemption Amount:	[]
	(iv) Provisions for determining Final Redemption Amount where calculation by reference to Rate of Exchange is impossible or impracticable or otherwise disrupted:	[] *(Include a description of market disruption or settlement disruption events and adjustment provisions.)*
	(v) Person at whose option Specified Currency(ies) is/are payable:	[]
	(vi) Terms and conditions:	[]
35.	Equity and Proprietary Index-Linked Redemption Provisions: (Condition 10)	[Applicable/Not Applicable] (*If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
(A)	[Single Share Notes]/[Share Basket Notes]:	*(if not applicable, delete sub-paragraph (A))*

[31] Clearstream requires a minimum of 15 Business Days' notice to exercise a put option. Euroclear requires 5 Business Days' notice.

		(*if Single Share Notes, delete sub-paragraph below*)
(i)	Scheduled Trading Days and Disrupted Days:	[Common Scheduled Trading Days and Common Disrupted Days: Applicable] [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable] [Common Scheduled Trading Days and Individual Disrupted Days: Applicable] (*select one as appropriate and delete other two*)
(ii)	Determination Agent responsible for calculating the Final Redemption Amount:	[]
(iii)	Provisions for determining Final Redemption Amount:	[]
(iv)	Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Settlement or (c) in certain circumstances depending on the closing price of the Shares, Cash Settlement or Physical Delivery at the option of the Issuer:	[Cash Settlement/Physical Settlement] [In the event of [] *(describe triggers linked to the closing price of the Shares)*, Cash Settlement or Physical Settlement at the option of the Issuer]
(v)	Provisions for determining Final Redemption Amount where calculation by reference to one or more Shares is impossible or impracticable or otherwise disrupted:	[]
(vi)	Weighting for each Share comprising the Basket of Shares:	[]/[Not Applicable]
(vii)	Averaging Dates:	[Applicable/Not Applicable]
(viii)	Averaging Date Disruption:	[Omission/Postponement/Modified Postponement]
(ix)	Observation Date(s):	[]
(x)	Observation Period(s):	[]
(xi)	Determination Time(s):	[]
(xii)	Valuation Date(s):	[]
(xiii)	Delivery provisions for Shares (including details of who is to make such delivery):	[] *(only where Physical Settlement is applicable)*
(xiv)	Physical Settlement:	[Applicable / Not Applicable]
(xv)	Additional Disruption Events:	Change in Law, Hedging Disruption, Loss of Stock Borrow, [and] Increased Cost of Hedging[, China Connect Service Termination, [and] China

			Connect Share Disqualification [and ChiNext Event]] shall apply. (*specify if any are not applicable, or any further Additional Disruption Events*) [For the avoidance of doubt, the Issuer and/or its affiliates are not obliged to hedge by using any quota granted to it or its affiliates under the Qualified Foreign Institutional Investor (QFII) or Renminbi Qualified Foreign Institutional Investor (RQFII) schemes.] *(include this language if China Connect Service Termination and China Connect Share Disqualification are specified as Additional Disruption Events)*
	(xvi)	Eligible Share:	[] (*specify or delete if not applicable*)
	(xvii)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment/ other (*give details*)]
	(xviii)	Additional Business Centre(s):	[]
	(xix)	Other special terms and conditions:	[]
(B)	[Single Index Notes]/[Index Basket Notes]		*(If not applicable, delete sub-paragraph (B))* (*if Single Index Notes, delete sub-paragraph below*)
	(i)	Scheduled Trading Days and Disrupted Days:	[Common Scheduled Trading Days and Common Disrupted Days: Applicable] [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable] [Common Scheduled Trading Days and Individual Disrupted Days: Applicable] (*select one as appropriate and delete other two*)
	(ii)	Averaging Dates:	[Applicable/Not Applicable]
	(iii)	Averaging Date Disruption:	[Omission/Postponement/Modified Postponement]
	(iv)	Observation Date(s):	[]
	(v)	Observation Period:	[]
	(vi)	Determination Time(s):	[]
	(vii)	Valuation Date(s):	[]

	(viii)	Determination Agent responsible for calculating the Final Redemption Amount:	[]
	(ix)	Provisions for determining Final Redemption Amount:	[]
	(x)	Provisions for determining Final Redemption Amount where calculation by reference to Index is impossible or impracticable or otherwise disrupted:	[]
	(xi)	Weighting for each Index:	[[]*(insert details)*/Not Applicable]
	(xii)	Additional Disruption Events:	Change in Law, Hedging Disruption, [and] Increased Cost of Hedging[, China Connect Service Termination, [and] China Connect Share Disqualification [and ChiNext Event]] shall apply. (*specify if any are not applicable, or any further Additional Disruption Events*) [For the avoidance of doubt, the Issuer and/or its affiliates are not obliged to hedge by using any quota granted to it or its affiliates under the Qualified Foreign Institutional Investor (QFII) or Renminbi Qualified Foreign Institutional Investor (RQFII) schemes.] *(include this language if China Connect Service Termination and China Connect Share Disqualification are specified as Additional Disruption Events)*
	(xiii)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment/ other (*give details*)]
	(xiv)	Additional Business Centre(s):	[]
	(xv)	Other special terms and conditions:	[]
(C)	[Single ETF Notes]/[ETF Basket Notes]:		*(if not applicable, delete sub-paragraph (C))* (*if Single ETF Notes, delete sub-paragraph below*)
	(i)	Scheduled Trading Days and Disrupted Days:	[Common Scheduled Trading Days and Common Disrupted Days: Applicable] [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable] [Common Scheduled Trading Days and Individual Disrupted Days: Applicable] (*select one as appropriate and delete other two*)

	(ii)	Determination Agent responsible for calculating the Final Redemption Amount:	[]
	(iii)	Provisions for determining Final Redemption Amount:	[]
	(iv)	Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Settlement or (c) in certain circumstances depending on the closing price of the ETF Interests or Basket of ETF Interests, Cash Settlement or Physical Delivery at the option of the Issuer:	[Cash Settlement/Physical Settlement] [In the event of *(describe triggers linked to the closing price of the ETF Interests/ Basket of ETF Interests)*, Cash Settlement or Physical Settlement at the option of the Issuer]
	(v)	Weighting for each ETF comprising the basket:	[[] *(Insert details)*/Not Applicable]
	(vi)	Averaging Dates:	[Applicable/Not Applicable]
	(vii)	Averaging Date Disruption:	[Omission/Postponement/Modified Postponement]
	(viii)	Observation Date(s):	[]
	(ix)	Observation Period:	[]
	(x)	Determination Time(s):	[]
	(xi)	Valuation Date(s):	[]
	(xii)	Delivery provisions for ETF Interests (including details of who is to make such delivery):	[] *(only where Physical Settlement is Applicable)*
	(xiii)	Physical Settlement:	[Applicable / Not Applicable]
	(xiv)	Eligible ETF Interest:	[] (*specify or delete if not applicable*)
	(xv)	Additional Extraordinary ETF Event(s):	*(specify if applicable)*
	(xvi)	Additional Disruption Events:	Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging shall apply (*specify if any are not applicable, or any further Additional Disruption Events)*
	(xvii)	Business Day Convention:	[]
	(xviii)	Additional Business Centre(s):	[]
	(xix)	Other special terms and conditions:	[]
36.	Commodity-Linked Redemption Provisions		[Applicable/Not Applicable]

(Condition 11)		*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Weighting:	[]
(ii)	Determination Agent responsible for calculating the Final Redemption Amount:	[]
(iii)	Provisions for determining Final Redemption Amount:	[]
(iv)	Observation Date(s):	[]
(v)	Observation Period:	[]
(vi)	Provisions for determining Final Redemption Amount where calculation by reference to Index and/or other variable is impossible or impracticable or otherwise disrupted:	[]
(vii)	Price Source:	[] *(specify for each Commodity)*
(viii)	Specified Price:	[high][low][average of high and low][closing price][opening price][bid] [asked] [average of high and low prices][settlement price][official settlement price][official price][morning fixing][afternoon fixing][spot price][Other *(specify)*] *(if appropriate, specify time as of which the price will be determined)*
(ix)	Delivery Date:	[] *(specify whether price based on spot market, First Nearby Month, Second Nearby Month, etc.)*
(x)	[Pricing Date:	[]]
(xi)	Common Pricing:	[Applicable] [Not Applicable] *(include only if Basket of Commodities)*
(xii)	Commodity Disruption Events:	[Price Source Disruption [- Price Materiality Percentage: []] [Trading Disruption] [Disappearance of Commodity Reference Price] [Material Change in Formula] [Material Change in Content] [Tax Disruption] [Not Applicable]

			(specify any applicable additional Commodity Disruption Events)
	(xiii)(A)	Commodity Disruption Fallback:	[Determination Agent Determination as defined in Condition 11.3 /Other *(specify)*]
	(xiii)(B)	Commodity Disruption Fallback for Administrator/Benchmark Event (Condition 11.4):	[Determination Agent Determination as defined in Condition 11.3/Other (*specify*)]
	(xiv)	Commodity Index Disruption Events:	As per Condition 11.6(a)
	(xv)	Commodity Index Disruption Fallback:	As per Condition 11.6(b)
	(xvi)	Business Day Convention:	[]
	(xvii)	Physical Hedging Fallback:	[Applicable / Not Applicable]
	(xviii)	Additional Disruption Events:	[Change in Law, Hedging Disruption, Increased Cost of Hedging shall apply] (*specify if any are <u>not</u> applicable, or any further Additional Disruption Events)*
	(xix)	Other special terms and conditions:	[]
37.	Currency-Linked Redemption Provisions		[Applicable/Not Applicable]
	(Condition 12)		*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Determination Agent responsible for calculating the Final Redemption Amount:	[]
	(ii)	Provisions for determining Final Redemption Amount:	[]
	(iii)	Specified Time:	[]
	(iv)	Valuation Date:	[]
	(v)	Averaging Date(s):	[]
	[(vi)	Observation Date(s):	[]
	(vii)	Observation Period:	[]]
	(viii)	Provisions for determining Final Redemption Amount where calculation by reference to Index and/or other variable is impossible or impracticable or otherwise disrupted:	[]
	(ix)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business

		Day Convention/ Preceding Business Day Convention/ No Adjustment/ Other *(give details)*]
(x)	Additional Business Centre(s):	[]
(xi)	Reference Dealers:	[]
(xii)	EM Unscheduled Holiday:	[Applicable/Not Applicable] (*If not applicable, delete the remaining provisions of this paragraph. If applicable, note that the provisions of Condition 12.4(a)(ii)(B) (Currency Disruption Fallbacks – Additional Price Source Disruption) shall not apply through the election of "Additional Price Source Disruption" in paragraph (xiii) below if so elected*)
	Maximum Days of Unscheduled Holiday Postponement:	[]
(xiii)	Currency Disruption Events:	[Price Source Disruption] [Additional Price Source Disruption]: *(If not applicable, delete the remaining sub-paragraph of this paragraph)* [Price Materiality Event:] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* Price Materiality Percentage: [] Primary Rate: [] Secondary Rate: [] [Dual Exchange Rate] [General Inconvertibility] [General Non-Transferability] [Illiquidity Minimum Amount: [Specified Amount][*Specify other*] Illiquidity Valuation Date: [Not Applicable][*Specify*]] [Governmental Authority Default] [Nationalization] [Material Change in Circumstance] [Other *(specify)*]
(xiv)(A)	Currency Disruption Fallbacks:	[Determination Agent Determination of Settlement Rate];

[Fallback Reference Price];

[Currency Reference Dealers]

[Specified Rate:

(*Specify one of:)*

Reference Currency bid exchange rate;

Reference Currency offer exchange rate;

Average of Reference Currency bid and offer exchange rates;

Settlement Currency bid exchange rate;

Settlement Currency offer exchange rate;

Average of Settlement Currency bid and offer exchange rates;

Official fixing rate;]

[Other *(specify)*]]

[EM Valuation Postponement

Maximum Days of EM Valuation Postponement: []]

[EM Valuation Fallback Postponement

Maximum Days of EM Valuation Fallback Postponement: []]

[Cumulative Events

Maximum Days of Cumulative Postponement: []]

[Other *(specify)*]

(where applicable, specify which Currency Disruption Fallback applies to which Currency Disruption Event, and if more than one Currency Disruption Fallback may apply to a Currency Disruption Event, the order in which such Currency Disruption Fallbacks will apply)

(xiv)(B) Currency Disruption Fallbacks for Administrator/Benchmark Event (Condition 06):

[Determination Agent Determination of Settlement Rate];

[Fallback Reference Price];

[Currency Reference Dealers]

[Specified Rate:

(*Specify one of*:)

Reference Currency bid exchange rate;

			Reference Currency offer exchange rate; Average of Reference Currency bid and offer exchange rates; Settlement Currency bid exchange rate; Settlement Currency offer exchange rate; Average of Settlement Currency bid and offer exchange rates; Official fixing rate;] [Other (*specify*)]] [EM Valuation Postponement Maximum Days of EM Valuation Postponement: []] [EM Valuation Fallback Postponement Maximum Days of EM Valuation Fallback Postponement: []] [Cumulative Events Maximum Days of Cumulative Postponement: []] [Other (*specify*)] (*if more than one Currency Disruption Fallback may apply, specify the order in which such Currency Disruption Fallbacks will apply*)
	(xv)	Additional Disruption Events:	Change in Law – [Applicable / Not Applicable] Hedging Disruption - [Applicable / Not Applicable] Increased Cost of Hedging - [Applicable / Not Applicable] (*specify any further Additional Disruption Events*)
	(xvi)	Other special terms and conditions:	[]
38.	Inflation-Linked Redemption Provisions		[Applicable/Not Applicable]
	(Condition 13)		*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Determination Agent responsible for calculating the Final Redemption Amount:	[]
	(ii)	Provisions for determining Final Redemption Amount:	[]

	(iii)	Provisions for determining Final Redemption Amount where calculation by reference to Index and/or other variable is impossible or impracticable or otherwise disrupted:	[]
	(iv)	Related Bond:	[[]/Fallback Bond]
	(v)	Fallback Bond:	[Applicable/Not Applicable]
	(vii)	Additional Disruption Events	Change in Law – [Applicable / Not Applicable] Hedging Disruption - [Applicable / Not Applicable] Increased Cost of Hedging - [Applicable / Not Applicable] (*specify any further Additional Disruption Events)*
	(viii)	Other special terms and conditions:	[]
39.	Property-Linked Redemption Provisions		[Applicable/Not Applicable]
	(Condition 14)		*(if Applicable, insert relevant provisions)*
	(i)	Property Index Level:	[]
	(ii)	Additional Disruption Event:	[Change in Law/Hedging Disruption/Increased Cost of Hedging/[] (*specify*)]
40.	Fund-Linked Redemption Provisions		[Applicable/Not Applicable]
	(Condition 15)		*(if Applicable, insert relevant information specified below, if Not Applicable, delete sub-paragraphs below)* *(if Single Fund Notes, delete sub-paragraph below)*
	(i)	Fund Business Days and Disrupted Dates:	[Common Fund Business Days and Common Disrupted Days: Applicable] [Individual Fund Business Days and Individual Disrupted Days: Applicable] [Common Fund Business Days and Individual Disrupted Days: Applicable] *(select one as appropriate and delete the other two)*
	(ii)	Determination Agent responsible for calculating the Final Redemption Amount:	[]
	(iii)	Provisions for determining Final Redemption Amount:	[]

(iv)	Cut-off Period:	[]
	(Condition 15.1)	(*specify or delete if not applicable or if fallback is applicable)*
(v)	Final Cut-off Date:	[]
	(Condition 15.1)	*(specify)*
(vi)	Valuation Date(s):	[]
	(Condition 15.1)	(*specify or delete if not applicable or if fallback is applicable)*
(vii)	Averaging Date:	[]
	(Condition 15.1)	(*specify or delete if not applicable or if fallback is applicable)*
(viii)	Determination Date(s):	[]
	(Condition 15.1)	(*specify or delete if not applicable or if fallback is applicable)*
(ix)	Scheduled Fund Valuation Date(s):	[] (*specify or delete if not applicable or if fallback is applicable)*
(x)	Scheduled Redemption Valuation Date:	[] (*specify or delete if not applicable or if fallback is applicable)*
(xi)	Redemption Notice Date:	[] (*specify or delete if not applicable or if fallback is applicable)*
(xii)	Reference Price:	[Reported Net Asset Value] [Redemption Proceeds] (*specify in respect of a Fund Interest*)
(xiii)	Non-Applicable Fund Event(s):	[Not Applicable][]
	(Condition 15.4)	*(specify if any Fund Events are not applicable)*
(xiv)	Additional Fund Event(s):	[Not Applicable][] (*specify)*
(xv)	Fund Event Unscheduled Redemption:	[Applicable][Not Applicable]
(xvi)	Successor Fund Interest Minimum Aggregate NAV:	[*specify*][As set out in Condition 15.4)
(xvii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/No Adjustment/Other (*give details*)]

	(xviii)	Additional Business Centre(s):	[]
	(xix)	Other terms:	[] *(insert any other relevant terms)*
41.	Futures Contract-Linked Redemption Provisions (Condition 16)		[Applicable/ Not Applicable] *(if applicable, insert relevant provisions)* (*if Single Futures Contract-Linked Notes, delete sub-paragraph below*)
	(i)	Scheduled Trading Days and Disrupted Days:	[Common Scheduled Trading Days and Common Disrupted Days: Applicable] [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable] [Common Scheduled Trading Days and Individual Disrupted Days: Applicable] (*select one as appropriate and delete other two*)
	(ii)	Determination Agent responsible for calculating the Final Redemption Amount:	[●]
	(iii)	Provisions for determining Final Redemption Amount:	[●]
	(iv)	Provisions for determining Final Redemption Amount where calculation by reference to Fund is impossible or impracticable or otherwise disrupted:	[●]
	(v)	Specified Number of Scheduled Trading Days:	[●] [As per Condition 16.7]
	(vi)	Specified Number of Common Scheduled Trading Days:	[●] [As per Condition 16.7]
	(vii)	Futures Contract Adjustment Events:	[Price Source Disruption] [Trading Restriction] [Disappearance of Futures Contract or Settlement Price] [Material Change in Formula] [Material Change in Content] [Tax Disruption] [Change of Exchange] [Illiquidity Event]
	(viii)	Adjustments for Futures Contract Adjustment Events:	(*Specify criteria for replacement of futures contract contemplated by Condition 16.4(a)(ii), if any)*
	(ix)	Additional Disruption Events:	[Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
	(x)	Correction Cut-Off Time:	[●]

	(xi)	Weighting for each Futures Contract comprising the Basket of Futures Contracts:	[*Insert details*] [N/A]
	(xii)	Averaging Date(s):	[●]
	(xiii)	Averaging Date Disruption:	[Omission/Postponement/Modified Postponement]
	(xiv)	Observation Date(s):	[●]
	(xv)	Valuation Date(s):	[●]
	(xvi)	Determination Date(s):	[●]
42.	Credit-Linked Redemption Provisions		[Applicable/Not Applicable]
	(Condition 17)		*(if Applicable, insert relevant provisions)*
43.	ETN-Linked Redemption Provisions		[Applicable/Not Applicable]
	(Condition 18)		*(if Applicable, insert relevant provisions)*
44.	Preference Share-Linked Redemption Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(Condition 19)		
	(i)	Determination Agent responsible for calculating the Final Redemption Amount:	[] (*specify only if Determination Agent is not Morgan Stanley & Co. International plc*)
	(ii)	Provisions for determining Final Redemption Amount:	[] per cent. per Calculation Amount OR [The Final Redemption Amount in respect of each Note is an amount in the Specified Currency calculated by the Determination Agent equal to: $Calculation\ Amount \times \frac{PreferenceShareValue_{final}}{PreferenceShareValue_{initial}}$ (*delete as appropriate*)
	(iii)	Final Valuation Date:	[] (*date*)
	(iv)	Valuation Time:	[[]/ As per Condition 19.9]
	(v)	Additional Disruption Events:	[Change in Law, Hedging Disruption, Insolvency Filing and Increased Cost of Hedging] shall apply (*delete any which are not applicable*)
45.	(i)	Early Redemption Amount upon Event of Default:	[As determined in accordance with Condition 23.9] (*specify*) (*if Zero Coupon Notes*)

		(Condition 28)	[Accrual Value] [Par Redemption] [Qualified Financial Institution Determination] [Theoretical Value]
	(ii)	Early Redemption Amount payable upon an event described in Condition 6.14/10.2(d)/10.2(f)/10.4(a)(iii)/ 10.4(b)(iii)/10.5(c)/10.6(c)/10.7 (c)/10.8(c)/11.4(c)/11.6(d)/11.7(d)/11.8(b)/12.6(a)(iii)/ 12.8(c)/13.2(e)/13.6(c)14.3/14.8 /14.9(c)/15.4/19.6/19.7]:	[Fair Market Value]/[Fair Market Value Less Costs.]
	(iii)	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons: (Condition [23.2]/[23.3])	[Fair Market Value]/[Fair Market Value Less Costs]/[Early Preference Share Redemption Note Amount]]/[Par Redemption]
	(iv)	Early Redemption Amount (Condition [6.14]):	[Not Applicable]/[As determined in accordance with Condition [23.9]] OR (*specify*) (if *Zero Coupon Notes*) [Accrual Value] [Par Redemption] [Qualified Financial Institution Determination] [Theoretical Value]
46.	Illegality and Regulatory Event: (Condition 29)		
	(i)	Illegality and Regulatory Event:	[Applicable] / [Not Applicable] (*Note that the Illegality and Regulatory Event provision may only be specified as "Not Applicable" in relation to a Series of Notes which is issued by MSBV or MSFL and is (i) rated and/or (ii) listed on an Italian Exchange*)
	(ii)	Early Redemption Amount (Illegality and Regulatory Event):	[[Early Redemption Amount (Illegality and Regulatory Event) – Fair Market Value Less Costs] / [Early Redemption Amount (Illegality and Regulatory Event) – Fair Market Value] / [Early Redemption Amount (Illegality and Regulatory Event) – Par] shall apply]
47.	Substitution of Issuer or Guarantor with non Morgan Stanley Group entities: (Condition 40.2)		[Applicable] / [Not Applicable] (*Note that this provision may only be specified as "Not Applicable" in relation to a Series of Notes which is issued by MSBV or MSFL and is (i) rated and/or (ii) listed on an Italian Exchange*)
48.	Governing Law:		[English law/other *(specify)*]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

49.	Form of Notes: (Condition 3)	[[Registered Notes: [Global Note Certificate registered in the name of [a nominee for] [a common depositary for Euroclear and Clearstream, Luxembourg]/[a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))][32], exchangeable for Individual Note Certificates on [*] days' notice[33]/in the limited circumstances described in the Global Note Certificate] [Individual Note Certificates]] [Nordic Notes: [Finnish Notes] [Swedish Notes]] [Uncertificated Notes][34]
50.	Record Date:	[For so long as the Notes are represented by a Global Note Certificate, the Record Date shall be one Clearing System Business Day before the relevant due date for payment. The Record Date for Notes in definitive form shall be 15 days before the relevant due date for payment][Not Applicable]
51.	Additional Financial Centre(s) or other special provisions relating to Payment Business Days:	[Not Applicable/[] *(specify Additional Financial Centre(s))*.]
52.	Determination Agent:	Morgan Stanley & Co. International plc/[] (*insert other Morgan Stanley Group entity*)
53.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/[] (*give details)*]
54.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/[] (*give details)*]
55.	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition 39] [annexed to this Pricing Supplement apply]]
56.	Restrictions on free transferability of the Notes:	[None/[] (*give details*)]

[32] To be included for Registered Notes in global form which are to be held under the NSS.
[33] In respect of Morgan Stanley Notes, notice should be 30 days.
[34] Only MSBV and MSI plc may issue Uncertificated Notes

57.	Inconvertibility Event Provisions:		[Applicable/Not Applicable]
	(Condition 21)		
	(i)	Consequences of the occurrence of an Inconvertibility Event:	[Converted Payment]/[Early Redemption]/[Suspended Payment]
	(ii)	Inconvertibility Early Redemption Amount:	[Not Applicable] [OR] *(For Zero Coupon Notes, choose one of the following options)* [[] per cent. per Calculation Amount]/ [an amount per Calculation Amount determined by the Determination Agent in accordance with Condition 23.9. For these purposes, the Accrual Yield is [] per cent. and the Reference Price is *(specify)*.] *(For Notes which are not Zero Coupon Notes, choose one of the following options)* [[] per cent. per Calculation Amount]/ [[Early Redemption Amount]/[Early Redemption Amount Less Costs] applies. For the purposes of the definition of Early Redemption Amount, Par Redemption applies.] [Qualified Financial Institution Determination applies provided that the words "Event of Default" in the definition thereof shall be deemed to be replaced with the words "Inconvertibility Event.] [Fair Market Value (Inconvertibility)]/[Fair Market Value Less Costs (Inconvertibility)]
	(iii)	Relevant Currency/ies:	[]
	(iv)	Relevant Jurisdiction:	[]
	(v)	Inconvertibility Specified Currency:	[]
	(vi)	Settlement Rate Option:	[Currency Reference Dealers]/[Not Applicable]
	(vii)	Fallback FX Spot Rate	[]
58.	CNY Center:		[]/[Not Applicable]
59.	Taxation:		
	(i)	Condition 27.1:	"Additional Amounts" is [*Applicable/Not Applicable*]
	(ii)	Condition 27.3:	Implementation of Financial Transaction Tax: [*Applicable/Not Applicable*]
60.	Other terms:		[]

DISTRIBUTION

61.	(i)	If syndicated, of Managers and underwriting commitments (and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)	[Not Applicable/[]] *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis.)*
	(ii)	[Date of [Subscription] Agreement:	[]
	(iii)	Stabilising Manager(s) (if any):	[Not Applicable/[] (*give name)*]
62.		If non-syndicated, name and address of Dealer:	[Not Applicable/[] (*give name and address)*]
63.		U.S. Selling Restrictions:	Regulation S
64.		[Total commission and concession:	[] per cent. of the Aggregate Nominal Amount][35]
65.		Additional selling restrictions:	[Not Applicable/[] (*give details)*]

United States Taxation

[36]**This discussion is limited to the U.S. federal tax issues addressed below. Additional issues may exist that are not addressed in this discussion and that could affect the federal tax treatment of an investment in the Notes. Investors should seek their own advice based upon their particular circumstances from an independent tax advisor.**

A non-U.S. investor should review carefully the section entitled "United States Federal Taxation" in the Offering Circular.

[37]**[Withholding "Other Income" on Coupon Payments**

The following discussion applies to Notes issued by Morgan Stanley or MSFL that pay periodic coupons and provide for a payment at maturity or upon early settlement (other than the stated coupon) that is determined by reference to the performance of a Relevant Underlying and thus may be lower or higher than their issue price. The U.S. federal tax treatment of the Notes is unclear due to the absence of statutory, judicial or administrative authorities that directly address the Notes or similar securities, and no ruling is being requested from the Internal Revenue Service ("IRS") with respect to the Notes. Significant aspects of the U.S. federal income tax consequences of an investment in the Notes are uncertain, and no assurance can be given that the IRS or a court will agree with the tax treatment described herein. Accordingly, investors should consult their tax adviser regarding the U.S. federal income tax consequences of an investment in the Notes (including possible alternative treatment thereof).

A non-U.S. investor should expect that a withholding agent will treat any coupon payments as subject to U.S. federal withholding tax at a rate of 30 per cent., unless the non-U.S. investor establishes an exemption under the "other income" provision of a Qualifying Treaty (as defined below) or, to the extent that any

35 Optional.
36 Insert for coupon-paying Notes issued by MS or MSFL.
37 Insert for "other income" Notes issued by MS or MSFL that are not principal-protected, pay periodic coupons and provide for a payment at maturity or early settlement that may be either lower or higher than the Notes' issue price based on the value of the underlying securities.

portion of a coupon payment is treated as interest for U.S. federal income tax purposes, an exemption under the "portfolio interest exemption" rules as described below.

An income tax treaty between a non-U.S. jurisdiction and the United States is a "Qualifying Treaty" if it provides for a 0 per cent. rate of tax on "other income" earned by a resident of the non-U.S. jurisdiction from sources within the United States. Accordingly, if a non-U.S. investor is a resident of a non-U.S. jurisdiction that qualifies for benefits under such a Qualifying Treaty, it should generally be eligible for an exemption under the "other income" provision referred to above if the non-U.S. investor complies with the certification requirement described in the section entitled "*United States Federal Taxation—Notes—Other Income Coupons*" in the Offering Circular. However, because most income tax treaties contain complex eligibility rules and limitations, a non-U.S. investor should consult its tax advisor about its eligibility for this exemption. To demonstrate eligibility for the "other income" exemption to the Issuer or an applicable withholding agent, a non-U.S. investor generally will be required to provide a properly completed Internal Revenue Service ("IRS") Form W-8BEN or W-8BEN-E certifying that it is not a U.S. person and that it is eligible for the benefits of the "other income" article of a Qualifying Treaty (or, if the non-U.S. investor holds its Notes through certain intermediaries, it may be permitted to provide alternative documentation in lieu of the appropriate Form W-8BEN or W-8BEN-E to establish that it is not a U.S. person and that it is eligible for the benefits of the "other income" article of a Qualifying Treaty) as discussed in the section entitled "*United States Federal Taxation—Notes—Other Income Coupons*" in the Offering Circular.

Notwithstanding the discussion above, because the U.S. federal income tax treatment of the Notes is unclear, any coupon payments on such Notes could alternatively be treated in whole or part as payments of interest. Nonetheless, even if the coupon payments are treated in whole or in part as interest and thus not eligible for the "other income" exemption described above, under current law and administrative practice a non-U.S. investor may qualify for the "portfolio interest exemption" with respect to the coupon payments if the non-U.S. investor has timely provided certifications to establish that it is not a U.S. person and certain other conditions are met, as discussed in the section entitled "*United States Federal Taxation—Notes—Interest*" in the Offering Circular.

As described in "*United States Federal Taxation*" in the Offering Circular, U.S. withholding may also be imposed in other circumstances, such as under FATCA, the U.S. backup withholding rules or Section 871(m) of the Internal Revenue Code.

If withholding is so required, the relevant Issuer will not be required to pay any additional amounts with respect to the amounts so withheld.]

[**PURPOSE OF PRICING SUPPLEMENT**

This Pricing Supplement comprises the pricing supplement required to [issue]/[list and have admitted to trading on (*specify relevant market*) the issue of] the Notes described herein pursuant to the Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates.]

POTENTIAL SECTION 871(m) TRANSACTION

Please see paragraph 5 of Part B – Other Information to this Pricing Supplement for additional information regarding withholding under Section 871(m) of the Code.

[**NO MATERIAL ADVERSE CHANGE**

Except as disclosed in the Pricing Supplement and the [], there has been no significant change in the financial or trading position of the Issuer [and the Guarantor] and no material adverse change in the prospects of the Issuer's [and the Guarantor's] consolidated group since [].][38]

[**LAST TRADING DAY**: []][39]

[38] Delete for Notes which are not to be listed on the SIX Swiss Exchange. Do not include for Notes to be listed on any market in the EEA or in the UK.

[39] Delete for Notes which are not to be listed on the SIX Swiss Exchange.

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement.

[(Relevant third party information) has been extracted from [] (specify source)]. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. **LISTING**

Listing and admission to Trading:	[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market with effect from [].] [Application [has been made/is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to listing on the SIX Swiss Exchange and to trading on the main segment of the SIX Swiss Exchange with effect from [].] [Application [has been made/is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Luxembourg Stock Exchange's Euro MTF market] and to the Official List of the Luxembourg Stock Exchange with effect from [].] [Application [has been made/is expected to be made] by the Issuer (or on its behalf) to the Gibraltar Stock Exchange (GSX Limited) for the Notes to be listed on the Global Market of the Gibraltar Stock Exchange with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on EuroTLX within ten (10) calendar days within the Issue Date.] [No assurances can be given that such application for listing and/or admission to trading will be granted (or, if granted, will be granted by [] [the Issue Date.]] [The Issuer has no duty to maintain the listing (if any) of the Notes on the relevant stock exchange(s) over their entire lifetime.] [Not Applicable.] (*Where documenting a fungible issue, indicate that original Notes are already admitted to trading.*)
[Last day of Trading:	[]]
[Estimate of total expenses related to admission to trading:	[]][40]

2. **RATINGS**

Ratings:	[The Notes to be issued have been rated:

[40] Only applicable where the Notes are to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market and are "debt securities" under the rules of Euronext Dublin.

[S & P: []]

[Moody's: []]

[Fitch: []]

[[Other]: []]

(*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.*)

[The Notes will not be rated].]

3. **[Notes linked to a Relevant Underlying only – PERFORMANCE OF EQUITY/INDEX/COMMODITY/CURRENCY/FUND/FUTURES CONTRACT/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

[●]

(Include details of where past and future performance and volatility of the index/equity/commodity/currency/fund/formula/other variable can be obtained. Where the underlying is an index, include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer, include details of where the information about the index can be obtained, including for these purposes where the index is published). Where the underlying is not an index, include equivalent information, including the NAV source in relation to any fund. Include other information concerning the underlying required by the rules of Euronext Dublin, Luxembourg Stock Exchange or the Gibraltar Stock Exchange, including in respect of the Luxembourg Stock Exchange and an underlying that is a fund which is neither listed nor admitted to trading on any exchange, information on where the prospectus of the fund is available for inspection.)

The Issuer [intends to provide post-issuance information (*specify what information will be reported and where it can be obtained*)/does not intend to provide post-issuance information with regard to the underlying].

4. **OPERATIONAL INFORMATION**

ISIN:	[]
Common Code:	[]
[Valoren Number:	[]][41]
[SEDOL:]	[]]
CFI:	[[]/Not Applicable]
FISN:	[[]/Not Applicable]

[41] Delete for Notes which are not to be listed on the SIX Swiss Exchange

	Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking *société anonyme* and the relevant identification number(s):	[Not Applicable/[] (*give name(s) and number(s)*)] *(specify for Finnish Notes)* [Finnish CSD: Euroclear Finland Oy, Urho Kekkosen katu 5 C, Box 1110, FI-00101 Helsinki, Finland] *(specify for Swedish Notes*) [Swedish CSD: Euroclear Sweden AB, Klarabergsviadukten 63, Box 191, SE 101 23, Stockholm, Sweden] [Japan Securities Depositary Center, Inc.] [other relevant clearing system, as applicable]
	Delivery:	Delivery [against/free of] payment
	Names and addresses of initial Paying Agent(s):	[]
	Names and addresses of additional Paying Agent(s) (if any):	[]
	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,](*include this text for Registered Notes which are to be held under the NSS*) and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No. Whilst the designation is specified as "no" at the date of these Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,](*include this text for Registered Notes*). Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
5.	**POTENTIAL SECTION 871(m) TRANSACTION**	[Not Applicable] / [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].] / [The Issuer has determined that the Notes should not be subject to withholding under Section 871(m) of the Code because the Relevant Underlying is a "qualified index" under the applicable U.S. Treasury Regulations[, 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].] / [The Notes are U.S. equity linked Notes subject to withholding under Section 871(m) of the Code.] [For further information please [call [•]] / [visit our website at [•]] / [write to [•]].]
6.	**Prohibition of Sales to EEA and UK Retail Investors:**	[Applicable]/[Not Applicable] (*If the offer of the Notes do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Notes may constitute "packaged" products and no "key information document" will be prepared, "Applicable" should be specified*)
7.	**DETAILS OF BENCHMARKS ADMINISTRATORS AND REGISTRATION UNDER BENCHMARKS REGULATION**	[Applicable]/[Not Applicable] [[*specify benchmark*] is administered by [*insert legal name of administrator*], who as at the Issue Date, appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks (Regulation (EU) 2016/2011) (the "**Benchmarks Regulation**").]/[[*specify benchmark*] is administered by [*insert legal name of administrator*], who as at the Issue Date, does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [*insert legal name of administrator*] is not currently required to obtain authorisation or registration (or if located outside the European Union, recognition, endorsement or equivalence).] *(repeat as appropriate)*

FORM OF NOTES

Morgan Stanley, MSI plc, MSBV and MSFL may issue Notes in registered form ("**Registered Notes**"). In addition MSBV and MSI plc may also issue (i) Notes in dematerialised and uncertificated book-entry form with a Nordic central securities depositary ("**Nordic Notes**"), and (ii) Notes in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001 (as amended, modified or re-enacted) (The "**Regulations**")and such other regulations made under sections 783, 784(3), 785 and 788 of the UK Companies Act 2006 as are applicable to the Euroclear Registrar ("**Uncertificated Notes**").

Registered Notes

Registered Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Note Certificate**"), in each case as specified in the relevant Pricing Supplement. Each Global Note Certificate will either be: (a) in the case of a Registered Note which is not to be held under the New Safekeeping Structure (defined below), registered in the name of a common depositary (or its nominee) for the Relevant Clearing System and the relevant Global Note Certificate will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the case of a Registered Note to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), be registered in the name of a common safekeeper (or its nominee) for the Relevant Clearing System and the relevant Global Note Certificate will be deposited on or about the issue date with the common safekeeper for the Relevant Clearing System and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the applicable Pricing Supplement specifies the form of Notes as being "**Individual Note Certificates**", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the applicable Pricing Supplement specifies the form of Notes as being "**Global Registered Note exchangeable for Individual Note Certificates**", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(a) on the expiry of such period of notice as may be specified in the applicable Pricing Supplement; or

(b) at any time, if so specified in the applicable Pricing Supplement; or

(c) if the applicable Pricing Supplement specifies "in the limited circumstances described in the Global Registered Note", then if (a) the Relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in "*Description of the New York Law Notes – Events of Default*" in the case of the New York Law Notes, or in the case of the English Law Notes, Condition 28 (*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Issue and Paying Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Registered Notes

The terms and conditions applicable to any Individual Note Certificate that is a New York Law Note will be set forth in such Individual Note Certificate. The terms and conditions applicable to any Individual Note

Certificate that is an English Law Note will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the English Law Notes*" above and the provisions of the applicable Pricing Supplement which supplement, modify and/or replace those terms and conditions. The terms and conditions applicable to any Global Registered Note that represents an English Law Note will differ from those terms and conditions which would apply to the Note were it in individual form to the extent described under "*Summary of Provisions relating to the English Law Notes while in Global Form*" below.

Nordic Notes

Notes issued by MSBV or MSI plc and designated as "**Finnish Notes**" or "**Swedish Notes**" or "**Nordic Notes**" in the applicable Pricing Supplement will be issued in uncertificated and dematerialised book-entry form in accordance with the Finnish or, as applicable, Swedish legislation and all other applicable local laws, regulations and operating procedures applicable to and/or issued by the Finnish or, as applicable, Swedish central securities depository from time to time (the "**NCSD Rules**") designated as registrar for the Nordic Notes in the applicable Pricing Supplement (the "**NCSD**"). No physical global or definitive Notes or certificates will be issued in respect of Nordic Notes. Payments of principal, interest (if any) or any other amounts on any Nordic Note will be made through the relevant NCSD in accordance with the NCSD Rules.

Uncertificated Notes

Uncertificated Notes will be held in uncertificated form in accordance with the Regulations. The Uncertificated Notes are participating securities for the purposes of the Regulations. Title to the Uncertificated Notes is recorded on the relevant Operator register of eligible debt securities (as defined in the Regulations) and the relevant "**Operator**" (as such term is used in the Regulations) in Euroclear UK & Ireland Limited or any additional or alternative operator from time to time approved by the Issuer and the Registrar and in accordance with the Regulations. Notes in definitive registered form will not be issued (either upon issue or in exchange for Uncertificated Notes).

The Euroclear Registrar will make all payments in respect of Uncertificated Notes.

SUMMARY OF PROVISIONS RELATING TO THE ENGLISH LAW NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Registered Notes (or any Tranche thereof) represented by a Global Registered Note, references in the "*Terms and Conditions of the English Law Notes*" to "**Noteholder**" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary for the Relevant Clearing System, will be that depositary or common depositary or a nominee for that depositary or common depositary.

Each of the persons shown in the records of the Relevant Clearing System as being entitled to an interest in a Global Registered Note (each an "**Accountholder**") must look solely to the Relevant Clearing System for such Accountholder's share of each payment made by the relevant Issuer to the holder of such Global Registered Note and in relation to all other rights arising under such Global Registered Note, including any right to exchange any exchangeable Notes or any right to require the relevant Issuer to repurchase such Notes. The respective rules and procedures of the Relevant Clearing System from time to time will determine the extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Registered Note and the timing requirements for meeting any deadlines for the exercise of those rights. For so long as the relevant Notes are represented by a Global Registered Note, Accountholders shall have no claim directly against the relevant Issuer in respect of payments due under the Notes and such obligations of the relevant Issuer will be discharged by payment to the holder of such Global Registered Note.

Exchange of Global Registered Notes

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Issue and Paying Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

(a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or

(b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the English Law Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) each Accountholder shall acquire the right under the Morgan Stanley Deed of Covenant, the MSI plc Deed of Covenant, the MSBV Deed of Covenant and the MSFL Deed of Covenant (the "**Deeds of Covenant**"), as the case may be, or any Additional Deed of Covenant to enforce against the Issuer, the Issuer's obligations to the Noteholder in respect of the Notes represented by the Global Registered Note, including the obligation of the Issuer to make all payments and deliveries when due at any time in respect of such Notes as if such Notes had been duly presented and (where required by the Conditions) surrendered on the due date in accordance with the Conditions. Each

Accountholder shall acquire such right without prejudice to any other rights which the Noteholder may have under the Global Registered Note and the Deeds of Covenant. Notwithstanding the rights that each Accountholder may acquire under the Deeds of Covenant, payment or delivery to the Noteholder in respect of any Notes represented by the Global Registered Note shall constitute a discharge of the Issuer's obligations to the extent of any such payment or delivery and nothing in the Deed of Covenant shall oblige the Issuer to make any payment or delivery under the Notes to or to the order of any person other than the Noteholder.

Conditions Applicable to Global Registered Notes

Each Global Registered Note will contain provisions which modify the terms and conditions set out in "*Terms and Conditions of the English Law Notes*" as they apply to the Global Registered Note. The following is a summary of certain of those provisions:

Payments

All payments in respect of the Global Registered Note which, according to the "*Terms and Conditions of the English Law Notes*", require presentation and/or surrender of an Individual Note Certificate will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Registered Note at the Specified Office or to the order of any paying agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes.

Exercise of Put Option

In order to exercise the Noteholder's put option set out in Condition 23.8 (*Redemption at the Option of Noteholders*) of the Terms and Conditions of the English Law Notes, the holder of a Global Registered Note must, within the period specified therein for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent and/or such other person as is specified in the applicable Pricing Supplement specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial Exercise of Call Option

In connection with an exercise of the option contained in Condition 23.5 (*Redemption at the Option of the Issuer*) of the Terms and Conditions of the English Law Notes in relation to some but not all of the Notes or Global Registered Note may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the provisions set out therein and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices

Notwithstanding Condition 35 (*Notices*) of the Terms and Conditions of the English Law Notes while all the Notes are represented by a Global Registered Note is deposited with a common depositary for the Relevant Clearing System, notices to Noteholders may be given by delivery of the relevant notice to the Relevant Clearing System and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 35 (*Notices*) of the Terms and Conditions of the English Law Notes, on the date of delivery to the Relevant Clearing System, except that, for so long as the Notes are listed on any stock exchange or are admitted to trading by another relevant authority, any notice to Noteholders shall be published in accordance with the rules and regulations of each such stock exchange or other relevant authority.

Redenomination

Following redenomination of the Notes, where Notes have been issued in definitive form, the amount of interest due in respect of such Notes will be calculated by reference to the aggregate principal amount of the Notes presented for payment by the relevant holder.

Registered Notes

Notwithstanding Condition 24 (*Payments – Registered Notes*) of the Terms and Conditions of the English Law Notes, each payment in respect of any Global Registered Note shall be made to the person shown in the Register as the holder of the Notes represented by such Global Registered Note at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where the "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

Payments in respect of a Note by Morgan Stanley and MSFL may be subject to U.S. withholding tax of 30 per cent. if the beneficial owner of the Note does not meet the criteria for being exempt from this withholding tax. These criteria include the requirement that the beneficial owner (or a financial institution holding the Note on behalf of the beneficial owner) comply with certain tax identification and certification rules, generally by furnishing the appropriate U.S. Internal Revenue Service Form W-8BEN or W-8BEN-E on which the beneficial owner certifies under penalties of perjury (i) that it is not a U.S. person, (ii) in the case of an entity, that it is exempt from FATCA withholding, and (iii) in the case of certain coupon-paying Notes, that it is eligible for a certain exemption under an applicable tax treaty, as described below under "*United States Federal Taxation*". U.S. withholding may also apply with respect to certain Notes linked to U.S. equities or certain indices. If withholding is so required, unless specified otherwise in an applicable Pricing Supplement none of the Issuers or any intermediary will be required to pay any additional amounts with respect to the amounts so withheld.

TERMS AND CONDITIONS OF THE WARRANTS AND CERTIFICATES

1. Introduction

The following is the text of the terms and conditions which, as supplemented, modified and/or replaced by the applicable Pricing Supplement, will be endorsed on each Security issued in individual registered form issued under the Program specified as being governed by English law. The terms and conditions applicable to any Security issued in registered form will differ from those terms and conditions which would apply to the Security were it in individual registered form to the extent described under "Summary of Provisions relating to the Warrants and Certificates while in Global Form" below.

This security is one of a series (each, a "**Series**") of Warrants (the "**Warrants**") or Certificates (the "**Certificates**") issued pursuant to a securities agency agreement dated 26 June 2020, the "**Securities Agency Agreement**", which expression shall include any amendments or supplements thereto or replacements thereof) between, inter alios, the Issuer, The Bank of New York Mellon, as principal Securities Agent (the "**Principal Securities Agent**") and The Bank of New York Mellon S.A./N.V. (Luxembourg Branch) (the "**Securities Registrar**" and the "**Securities Transfer Agent**"), which expressions includes any successor or substitute Principal Securities Agent, Securities Registrar or Securities Transfer Agent, as the case may be, appointed in accordance with the Securities Agency Agreement) and any other Securities Agents appointed under the Securities Agency Agreement (together, the "**Securities Agents**" and together with the Principal Securities Agent, the Securities Registration, the Securities Transfer Agent and the Swedish Issuing and Paying Agent (in respect of Swedish Securities) and any other agents appointed pursuant to the Securities Agency Agreement (the "**Agents**"). The Swedish and Finnish Securities are the subject of an issuing and paying agent agreement (the "**SEB Issuing and Paying Agent Agreement**") dated 29 June 2018 between MSI plc, MSBV and Skandinaviska Enskilda Banken AB (publ) as Swedish programme agent (the "**Swedish Issuing and Paying Agent**") and Finnish programme agent ("**Finnish Issuing and Paying Agent**") as amended from time to time. In the following provisions of these terms and conditions (the "**Conditions**"), each reference to the "**Issuer**" is a reference to whichever of Morgan Stanley, MSI plc, MSBV and MSFL is identified as the Issuer in the applicable Pricing Supplement (as defined below). The payment obligations of MSBV and MSFL in respect of Warrants and Certificates issued by each of MSBV and MSFL (respectively) under the Program and which are issued under the Securities Agency Agreement are (unless, in respect of MSBV only, otherwise stated in the applicable Pricing Supplement) guaranteed by Morgan Stanley (the "**Guarantor**") under the terms of a guarantee dated as of 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time, the "**Guarantee**").

MSI plc, MSFL and MSBV may issue Warrants and Certificates. Morgan Stanley may issue Certificates only.

Certificates issued by Morgan Stanley in global form are constituted by a deed of covenant entered into by Morgan Stanley dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time the "**Morgan Stanley Deed of Covenant**"). Warrants and Certificates issued by MSI plc in global form or in dematerialised form are constituted by a deed of covenant entered into by MSI plc dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time the "**MSI plc Deed of Covenant**"). Warrants and Certificates issued by MSBV in global form or in dematerialised form are constituted by a deed of covenant entered into by MSBV dated 26 June 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time the "**MSBV Deed of Covenant**"). Warrants and certificates issued by MSFL in global form are constituted by a deed of covenant entered into by MSFL dated 26 June 2020 (as supplemented and/or amended from time to time, and/or restated and/or replaced the "**MSFL Deed of Covenant**"), and together with the Morgan Stanley Deed of Covenant, the MSI plc Deed of Covenant and the MSBV Deed of Covenant, the "**Deeds of Covenant**").

In relation to a Series of Warrants or Certificates, the expression "**Warrants**" and the term "**Certificates**" shall, unless the context otherwise requires, include any further Warrants or, as the case may be, Certificates issued pursuant to Condition 32 (*Further Issues*) of these Conditions and

forming a single series with such Series. The Securityholders (as defined below) are entitled to the benefit of, and are bound by and are deemed to have notice of, all the provisions of the Securities Agency Agreement, these Conditions and the Pricing Supplement (as defined below) relating to the relevant Warrants or Certificates.

Each Series of Warrants and each Series of Certificates issued under the Program as Relevant Securities (as defined in the Conditions) may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Warrants or, as the case may be, Certificates. Each Tranche will be the subject of a pricing supplement supplemental hereto (each, "**Pricing Supplement**"), a copy of which may, in the case of a Tranche in relation to which application has been made for admission to (i) the Official List of Euronext Dublin and trading on its Global Exchange Market, (ii) listing on the SIX Swiss Exchange and to trading on the main segment of the SIX Swiss Exchange, (iii) the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's Euro MTF Market and/or (iv) the Global Market of the Gibraltar Stock Exchange, be obtained free of charge from the specified office of the Principal Securities Agent. In the case of a Tranche in relation to which application has not been made for admission to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the applicable Pricing Supplement will only be available for inspection by a holder of Warrants or Certificates of that Tranche.

References in the Conditions to Warrants or Certificates are to the Warrants or Certificates of the relevant Series and references to the Issuer, the Guarantor, the Principal Securities Agent, the Determination Agent, any holder or the Securityholders are to those persons in relation to the Warrants or Certificates of the relevant Series. Capitalised terms used but not defined in these Conditions shall have the meanings given to them in the applicable Pricing Supplement, the absence of any such meaning indicating that such term is not applicable to the Warrants or Certificates of the relevant Series.

2. Interpretation

As used in these Conditions, the following expressions shall have the following meanings in respect of any Warrants or Certificates or Series of Warrants or Certificates:

"**Administrator/Benchmark Event**" means, in respect of any Warrants or Certificates, a determination made by the Determination Agent that any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that any of the Issuer, the Determination Agent or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use the Relevant Benchmark to perform its or their respective obligations in respect of the Warrants or Certificates;

"**Administrator/Benchmark Event Date**" means, in respect of any Warrants or Certificates and an Administrator/Benchmark Event, the date on which the authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is:

(i) required under any applicable law or regulation; or

(ii) rejected, refused, suspended or withdrawn, if the applicable law or regulation provides that the Relevant Benchmark is not permitted to be used under the Warrants or Certificates following rejection, refusal, suspension or withdrawal,

or, in each case, if such date occurs before the Issue Date, the Issue Date;

"**Affiliate**" means any entity which is (a) an entity controlled, directly or indirectly, by the Issuer, (b) an entity that controls, directly or indirectly, the Issuer or (c) an entity directly or indirectly under common control with the Issuer;

"**Alternative Pre-nominated Index**" means, in respect of a Relevant Benchmark, the first of the indices, benchmarks or other price sources specified in the applicable Pricing Supplement as an "Alternative Pre-nominated Index" that is not subject to an Administrator/Benchmark Event or (in the case of Equity and Proprietary Index-Linked Securities) an Index Cancellation or an Index Modification or (in the case of Commodity-Linked Securities which reference a Commodity Index) a Commodity Index Cancellation or a Commodity Index Modification or (in the case of Property-Linked Securities) a Property Index Adjustment Event;

"**Bond-Linked Securities**" has the meaning given to it in Condition 16 (*Provisions relating to Bond-Linked Securities*);

"**Business Day**" means any day, other than a Saturday or Sunday that, for Warrants and Certificates denominated in:

(a) a Settlement Currency other than euro, is neither a legal holiday nor a day on which banking institutions are authorised or required by law or regulation to close in the principal financial centre of the country of the Settlement Currency, and in each (if any) Additional Business Centre (and if the Additional Business Centre is specified in the applicable Pricing Supplement to be or to include TARGET, then a Business Day shall also be a TARGET Settlement Day); and

(b) euro, that is also a TARGET Settlement Day and a day that is neither a legal holiday nor a day on which banking institutions are authorised or required by law or regulation to close in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the applicable Pricing Supplement and, if so specified in the applicable Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified 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;

(c) "**Nearest**" means that the relevant date shall be the first preceding day that is a Business Day, if the relevant date would otherwise fall on a day other than a Sunday or a Monday, and will be the first following day that is a Business Day, if the relevant date would otherwise fall on a Sunday or a Monday;

(d) "**Preceding**" means that the relevant date will be the first preceding day that is a Business Day; and

(e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Cash Settlement Payment Date**" means, in respect of each Exercise Date, the date specified or otherwise determined as provided in the applicable Pricing Supplement or, if such date is not a Business Day, the next succeeding Business Day;

"**CEA**" means the United States Commodity Exchange Act, as amended;

"**Clearing System**" means Euroclear, Clearstream, Luxembourg, and/or any other relevant clearing system located outside the United States specified in the applicable Pricing Supplement which the Underlying Security is, for the time being, held;

"**Clearing System Business Day**" means, in respect of a Clearing System, any day on which such Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions;

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme, Luxembourg;

"**CNY Securities**" means Warrants or Certificates denominated in CNY or Renminbi deliverable in Hong Kong, or such other CNY Center as specified in the applicable Pricing Supplement;

"**Commencement Date**" means the date specified as such in the applicable Pricing Supplement, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"**Commodity-Linked Securities**" has the meaning given to it in Condition 10 (*Provisions relating to Commodity-Linked Securities*);

"**Currency Business Day**" means, unless otherwise specified in the applicable Pricing Supplement:

(a) for the purposes of the definition of "Valuation Date" in Condition 11.1 (*Valuation Date*), in respect of any Series of Currency-Linked Securities: (1) a day on which commercial banks are (or but for the occurrence of a Currency Disruption Event would have been) open for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the Principal Financial Centre(s) of the Reference Currency and, if so specified in the applicable Pricing Supplement for this paragraph (a), in any Additional Currency Financial Centre or (2) where the currency to be valued is euro, a day that is a TARGET Settlement Day and a Business Day;

(b) for any other purpose, in respect of any Series of Currency-Linked Securities: (1) a day on which commercial banks are open for general business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the Principal Financial Centre(s) of the Reference Currency and, if so specified in the applicable Pricing Supplement for this paragraph (b), in any Additional Currency Financial Centre and (2) where one of the Currency Pair is euro, a day that is a TARGET Settlement Day;

"**Currency-Linked Securities**" has the meaning given to it in Condition 11 (*Provisions relating to Currency-Linked Securities*);

"**Determination Agent**" means MSI plc or, in respect of any Series of Warrants or Certificates, such other determination agent as may be specified in the applicable Pricing Supplement;

"**Determination Date**" has the meaning given in the applicable Pricing Supplement;

"**Disrupted Day**" has the meaning ascribed thereto in Condition 9.10 (*Definitions applicable to Equity and Proprietary Index-Linked Securities*);

"**Early Settlement Amount**" means, in respect of any Warrant or Certificate, such amount as may be specified in the applicable Pricing Supplement or, if no other amount is specified:

(i) if "Fixed Redemption" is specified as being applicable in respect of the Warrants or Certificates in the applicable Pricing Supplement, an amount per Calculation Amount equal to the product of the Specified Rate and the Calculation Amount (each as specified in the applicable Pricing Supplement), together with accrued interest (if any); or

(ii) if "Qualified Financial Institution Determination" is specified as being applicable in respect of the Warrants or Certificates in the applicable Pricing Supplement, 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 Warrants or Certificates) 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 Warrants or Certificates 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 Securityholder with respect to the Warrants or Certificates; or

(iii) if "Fair Market Value Less Costs" is specified as being applicable in respect of such Warrant or Certificate in the applicable Pricing Supplement, an amount equal to the fair market value of such Warrant or Certificate to the Securityholder, on such day as is selected by the Determination Agent, in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Warrant or Certificate), less the proportion attributable to the Warrant or Certificate of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all calculated by the Determination Agent in its reasonable discretion; or

(iv) if "Fair Market Value" is specified as being applicable in respect of such Warrant or Certificate in the applicable Pricing Supplement, an amount equal to the fair market value of such Warrant or Certificate, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Warrant or Certificate), as calculated by the Determination Agent in its reasonable discretion;

"**EC Treaty**" means the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 October 1997), as further amended from time to time;

"**ETF Basket Securities**" means any Series of Warrants or Certificates that relates to a basket of Underlying Securities that are exchange traded funds;

"**ETN**" means an exchange-traded note;

"**ETN-Linked Securities**" has the meaning given to it in Condition 17 (*Provisions relating to ETN-Linked Securities*);

"**Euro**", "**euro**", "**€**" and "**EUR**" each means the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time);

"**Euroclear**" means Euroclear Bank S.A./N.V.;

"**European Economic and Monetary Union**" means economic and monetary union pursuant to the EC Treaty;

"**Exercise Date**" means, in respect of any Warrant or Certificate, the day on which such Warrant or Certificate is deemed to have been exercised in accordance with Condition 6.7 (*Deemed Exercise*), if applicable, or on which an Exercise Notice relating to that Warrant or Certificate is delivered in accordance with the provisions of Condition 6.1 (*Exercise Notice*);

"**Exercise Notice**" means any notice in the form scheduled to the Securities Agency Agreement (or such other form as may from time to time be agreed by the Issuer and the Principal Securities Agent) which is delivered by a Securityholder in accordance with Condition 6.1 (*Exercise Notice*);

"**Exercise Period**" means, unless otherwise specified in the applicable Pricing Supplement, the period beginning on (and including) the Commencement Date and ending on (and including) the Expiration Date;

"**Exercise Receipt**" means a receipt issued by a Securities Agent or Securities Registrar to a depositing Securityholder upon deposit of a Warrant or Certificate with such Securities Agent or Securities Registrar by any Securityholder wanting to exercise a Warrant or Certificate;

"**Expiration Date**" means:

(a) in respect of any Single Share Security, Share Basket Security, Single Index Security, Index Basket Security, Single ETF Security, ETF Basket Security, Single Futures Contract Security, Futures Contract Basket Security, Single Fund Security or Fund Basket Security, the date specified as such in the applicable Pricing Supplement, or, if such date is not a Scheduled Trading Day or a Fund Business Day (as applicable), the relevant Expiration Date shall (i) in the case of any Single Share Security, Share Basket Security, Single Index Security, Index Basket Security, Single ETF Security, ETF Basket Security, Single Futures Contract Security or Futures Contract Basket Security, be the next succeeding Scheduled Trading Day; or (ii) in the case of any Single Fund Security or Fund Basket Security, be the next succeeding Fund Business Day, and if any Expiration Date is a Disrupted Day, the provisions of, as applicable, Condition 9.1 (*Reference Dates, Averaging Dates and Market Disruption*), Condition 13.1 (*Reference Dates, Averaging Dates and Market Disruption*) or Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*) shall apply *mutatis mutandis* as if such Expiration Date were a Reference Date, and otherwise subject to adjustment in accordance with the Conditions. Notwithstanding the foregoing, if a Warrant or Certificate is exercised on a Scheduled Trading Day or Fund Business Day (as applicable) that would have been an Expiration Date but for the occurrence of an event giving rise to a Disrupted Day, such Scheduled Trading Day or Fund Business Day (as applicable) shall be deemed to be the Expiration Date for the purpose of determining whether an Exercise Date has occurred during the Exercise Period.

If (A) either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, references in the above sub-paragraph to "Scheduled Trading Day" shall be read as references to "Common Scheduled Trading Day"; and (B) either "Common Fund Business Days and Common Disrupted Days" or "Common Fund Business Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, references in the above sub-paragraph to "Fund Business Day" shall be read as references to "Common Fund Business Day"; and

(b) in respect of any Bond-Linked Security, Commodity-Linked Security, Currency-Linked Security, Inflation-Linked Security, ETN-Linked Security or Property-Linked Security, the date specified as such in the applicable Pricing Supplement or, if that date is not a Business Day and, if specified in the applicable Pricing Supplement, an Exchange Business Day, a Commodity Business Day, or a Currency Business Day, the next following day that is a Business Day and, as the case may be, an Exchange Business Day, a Commodity Business Day, or a Currency Business Day;

"**Finnish CSD**" means a duly authorised Finnish central securities depository (Fi.: *Arvopaperikeskus*) under Act on the Book-Entry System and Clearing Operations (*Fi.: Arvo-osuusjärjestelmästä ja selvitystoiminnasta annettu laki*) and The Finnish legislation governing book-entry accounts as well as the regulations and decisions of Euroclear Finland (*Fi.: laki arvo-osuustileistä sekä Euroclear Finlandin säännöt ja toimitusjohtajan päätökset*), which is expected to be Euroclear Finland Oy, Urho Kekkosen katu 5 C Box 1110, FI-00101 Helsinki, Finland;

"**Finnish Issuing and Paying Agent**" means Skandinaviska Enskilda Banken AB (publ) or a duly authorised issuing agent under the relevant NCSD Rules and designated as such by the Issuer in the applicable Pricing Supplement;

"**Finnish Securities**" means any Tranche of Warrants or Certificates issued by Morgan Stanley B.V. or, as applicable, MSI plc and designated by the Issuer as "Finnish Securities" in the applicable Pricing Supplement;

"**Fitch**" means Fitch Ratings, Inc.;

"**Fund Basket Securities**" means Warrants or Certificates that relate to a basket of Underlying Securities that are funds;

"**Fund-Linked Securities**" has the meaning given to it in Condition 15 (*Provisions relating to Fund-Linked Securities*);

"**Futures Contract-Linked Securities**" has the meaning given to it in Condition 13 (*Provisions relating to Futures Contract-Linked Securities*);

"**Futures Contract Basket Securities**" means Warrants or Certificates relating to a basket of Underlying Securities that are futures contracts;

"**Global Registered Security**" means a global Registered Security representing interests in Securities;

"**Implementation of Financial Transaction Tax**" means that, on or after the Trade Date of any Warrants or Certificates due to the adoption of or any change in any applicable law or regulation (including without limitation any law or regulation implementing a system of financial transaction taxes in any jurisdiction, including the European Union relating to any tax, payable in respect of the transfer of, or issue or modification or redemption of, any financial instruments), the Issuer determines (acting in good faith and in a commercially reasonable manner) that either it or any of its Affiliates would incur or has incurred a materially increased amount of tax, transfer tax, duty, stamp duty, stamp duty reserve tax, expense or fee (other than brokerage commissions) to (A) enter into, modify or unwind the Warrants or Certificates or any part thereof, or perform its obligations under such Warrants or Certificates, including for the avoidance of doubt any obligation or exercise of any right to deliver Shares or any other asset or (B) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the relevant Warrants or Certificates or (C) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that the Issuer has determined that the nature of the adoption of or any change in law or regulation is such that it is applicable to investors generally when carrying out similar trading or hedging activities in the relevant jurisdiction.

"**Index Basket Securities**" means Warrants or Certificates relating to a basket of Indices;

"**Individual Registered Security**" means an individual registered Security representing a Securityholder's holding of a Registered Security;

"**Inflation-Linked Securities**" has the meaning given to it in Condition 12 (*Provisions relating to Inflation-Linked Securities*);

"**Initial Date**" means the date specified as such in the applicable Pricing Supplement;

"**Latest Exercise Time**" means 10:00 a.m. (local time in the place where the Specified Office of the relevant Securities Agent or Securities Registrar, as the case may be, is located), unless specified otherwise in the applicable Pricing Supplement;

"**Maximum Call Notice Number of Day(s)**" means the number of calendar days or Business Days specified as such in the applicable Pricing Supplement;

"**Minimum Call Notice Number of Day(s)**" means the number of calendar days or Business Days specified as such in the applicable Pricing Supplement;

"**Moody's**" means Moody's Investors Service, Inc.;

"**Morgan Stanley Securities**" means Certificates issued by Morgan Stanley;

"**MSBV Securities**" means Warrants or Certificates issued by MSBV;

"**MSFL Securities**" means Warrants or Certificates issued by MSFL;

"**MSI plc Securities**" means Warrants or Certificates issued by MSI plc;

"**NCSD**" means the Finnish CSD or the Swedish CSD, as applicable;

"**NCSD Register**" means the book entry register maintained by the relevant NCSD on behalf of the Issuer in respect of the relevant Tranche of Nordic Securities;

"**NCSD Rules**" means any Finnish or, as applicable, Swedish legislation, regulations, rules and operating procedures applicable to and/or issued by the relevant NCSD (including but not limited to, Act on the Book-Entry System and Clearing Operations (Fi.: Arvo-osuusjärjestelmästä ja selvitystoiminnasta annettu laki)) and The Finnish legislation governing book-entry accounts as well as the regulations and decisions of Euroclear Finland (Fi.: Laki arvo-osuustileistä sekä Euroclear Finlandin säännöt ja toimitusjohtajan päätökset) and the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw.: *lag (1998:1479) lagen om värdepapperscentraler och kontoföring av finansiella instrument*));

"**Nordic Issuing and Paying Agent**" means the Finnish Issuing and Paying Agent or the Swedish Issuing and Paying Agent, as applicable;

"**Nordic Securities**" means Finnish Securities or Swedish Securities, as applicable;

"**Optional Settlement Amount**" means, in respect of any Warrant or Certificate, its principal amount or such other amount as may be specified in, or determined in accordance with, the applicable Pricing Supplement;

"**Optional Settlement Date**" has the meaning given in the applicable Pricing Supplement;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Physical Settlement Date**" means, in relation to Underlying Securities to be delivered following exercise of a Warrant or Certificate on an Exercise Date, and unless otherwise specified in the applicable Pricing Supplement, the first day on which settlement of a sale of such Underlying Securities on that Exercise Date customarily would take place through the relevant Clearing System, unless a Settlement Disruption Event prevents delivery of such Underlying Securities on that day;

"**Potential Exercise Date**" means:

(a) in respect of any Single Share Security, Share Basket Security, Single Index Security, Index Basket Security, Single ETF Security, ETF Basket Security, Single Futures Contract Security, Futures Contract Basket Security, Single Fund Security or Fund Basket Security, each date specified as such in the applicable Pricing Supplement, or, if such date is not a Scheduled Trading Day or a Fund Business Day (as applicable), the relevant Potential Exercise Date shall (i) in the case of any Single Share Security, Share Basket Security, Single Index Security, Index Basket Security, Single ETF Security, ETF Basket Security, Single Futures Contract Security or Futures Contract Basket Security, be the next succeeding Scheduled Trading Day; or (ii) in the case of any Single Fund Security or Fund Basket Security, be the next succeeding Fund Business Day, and if any Potential Exercise Date is a Disrupted Day, the provisions of, as applicable, Condition 9.1 (*Reference Dates, Averaging Dates and Market Disruption*), Condition 13.1 (*Reference Dates, Averaging Dates and Market Disruption*) or Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*) shall apply *mutatis mutandis* as if such Potential

Exercise Date were a Reference Date, and otherwise subject to adjustment in accordance with the Conditions.

Notwithstanding the foregoing, if a Warrant or Certificate is exercised on a Scheduled Trading Day or Fund Business Day (as applicable) that would have been a Potential Exercise Date prior to the occurrence of an event giving rise to a Disrupted Day, such Scheduled Trading Day or Fund Business Day (as applicable) shall be deemed to be the Potential Exercise Date for the purpose of determining whether an Exercise Date has occurred during the Exercise Period.

If (A) either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, references in the above two sub-paragraphs to "Scheduled Trading Day" shall be read as references to "Common Scheduled Trading Day"; and (B) either "Common Fund Business Days and Common Disrupted Days" or "Common Fund Business Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, references in the above sub-paragraph to "Fund Business Day" shall be read as references to "Common Fund Business Day"; and

(b) in respect of any Bond-Linked Security, Commodity-Linked Security, Currency-Linked Security, Inflation-Linked Security, ETN-Linked Security or Property-Linked Security, the dates specified in the applicable Pricing Supplement (or, if any such date is not a Business Day, and, if so specified in the applicable Pricing Supplement, an Exchange Business Day, a Commodity Business Day, or a Currency Business Day, the next following date that is a Business Day, and, as the case may be, an Exchange Business Day, a Commodity Business Day, or a Currency Business Day);

"**Principal Financial Centre**" means, in respect of any Series of Warrants or Certificates and any currency, the financial centre(s) for that currency specified as such in the applicable Pricing Supplement, or, if none is specified, the financial centre or centres determined by the Determination Agent in its reasonable discretion;

"**Property-Linked Securities**" has the meaning given to it in Condition 14 (*Provisions relating to Property-Linked Securities*);

"**Qualified Financial Institution**" means a financial institution organised 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 Settlement 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:

(a) A2 or higher by S&P Global Ratings or any successor, or any other comparable rating then used by that rating agency; or

(b) 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 Institutional 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;

"**Reference Dealers**" means, in respect of any Series of Warrants or Certificates, the dealers specified as such in the applicable Pricing Supplement;

"**Registered Certificates**" has the meaning ascribed thereto in Condition 3 (*Form, Title and Transfer*);

"**Registered Warrants**" has the meaning ascribed thereto in Condition 3 (*Form, Title and Transfer*);

"**Regulation S**" means Regulation S under the Securities Act;

"**Regulatory Event**" means that, at any time on or after the Trade Date, as a result of:

(i) an implementation or adoption of, or change in, any applicable law, regulation, interpretation, action or response of a regulatory authority;

(ii) the promulgation of, or any interpretation by any court, tribunal, government or regulatory authority with competent jurisdiction (a "**Relevant Authority**") of, any relevant law or regulation (including any action taken by a taxing authority); or

(iii) the public or private statement or action by, or response of, any Relevant Authority or any official or representative of any Relevant Authority acting in an official capacity,

there is a reasonable likelihood of it becoming:

(A) unlawful, impossible or impracticable, for the Issuer and/or the Guarantor to maintain the Securities and/or to maintain other instruments issued under the Program and/or to perform its obligations under the Securities; and/or

(B) necessary for the Issuer and/or the Guarantor to obtain a licence, authorisation or other approval for the continuation or maintenance of the business relating to or supporting the Securities or their hedging activities in relation to such Securities;

"**Relevant Benchmark**" means a Relevant Commodity Benchmark, a Relevant Equity Index Benchmark, a Relevant FX Benchmark or a Relevant Property Index Benchmark;

"**Relevant Securities**", in relation to Warrants and Certificates, means Warrants and Certificates issued (or to be issued) under the Securities Agency Agreement;

"**Renminbi**", "**RMB**" and "**CNY**" are to the lawful currency of the People's Republic of China ("**PRC**") which, for the purpose of these Conditions, shall exclude the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**Reserved Matter**" means any proposal to change any date fixed for payment in respect of the Warrants or Certificates, to reduce the amount of any payment payable on any date in respect of the Warrants or Certificates, to alter the method of calculating the amount of any payment in respect of the Warrants or Certificates or the date for any such payment, to change the currency of any payment under the Warrants or Certificates or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Right to Termination**" has the meaning given to it in Condition 33.6 (*Right to Terminate in respect of substitution with non Morgan Stanley Group Entities*);

"**Right to Termination Notice**" means a notice which must be delivered to a Paying Agent or the Euroclear Registrar, as applicable, by any Securityholder wanting to exercise a right to terminate a Security at the option of the Securityholder under Condition 33.6 (*Right to Terminate in respect of substitution with non Morgan Stanley Group Entities*);

"**Right to Termination Receipt**" means a receipt issued by a Paying Agent or the Euroclear Registrar to a depositing Securityholder upon deposit of a Security and a Right to Termination Notice with such Paying Agent, or deposit of a Right to Termination Notice with such Euroclear Registrar, as applicable, by any Securityholder wanting to exercise a right to terminate a Security at the option of the Securityholder;

"**S&P**" means Standard & Poor's Financial Services LLC through its business unit S&P Global Ratings;

"**Securities Act**" means the United States Securities Act of 1933, as amended;

"**Security**" means any Warrant or Certificate;

"**Securityholder**" has the meaning ascribed thereto in Condition 3 (*Form, Title and Transfer*);

"**Settlement Currency**" means, in respect of any Series of Warrants or Certificates, the currency specified as such in the applicable Pricing Supplement;

"**Settlement Cycle**" means, in respect of an Underlying Security, Index or ETF, the period of Settlement Cycle Days following a trade in such Underlying Security, the securities or other property underlying such Index or ETF as the case may be, on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period) and for this purpose "**Settlement Cycle Day**" means a day on which the relevant Exchange at the relevant time is (or, but for the occurrence of a Settlement Disruption Event would have been) open for the acceptance and execution of settlement instructions or, if none, a day selected by the Determination Agent;

"**Settlement Election Date**" means, in respect of any Series of Warrants or Certificates, the date specified in the applicable Pricing Supplement or, if such date is not a Business Day, the next following day that is a Business Day;

"**Share Basket Securities**" means Warrants or Certificates relating to a basket of Underlying Securities that are shares;

"**Single ETF Securities**" means any Series of Warrants and Certificates that relates to a single Underlying Security that is an exchange traded fund;

"**Single Fund Securities**" means Warrants or Certificates relating to a single Underlying Security that is a fund;

"**Single Futures Contract Securities**" means Warrants or Certificates relating to a single Underlying Security that is a futures contract;

"**Single Index Securities**" means Warrants or Certificates relating to a single Index;

"**Single Share Securities**" means Warrants or Certificates relating to a single Underlying Security that is a share;

"**Specified Office**" means, in respect of any Series of Warrants or Certificates, in the case of a Reference Dealer, any office or branch of the Reference Dealer located in the city specified for such purpose in the applicable Pricing Supplement and, in the case of the Principal Securities Agent, the Securities Registrar or the Securities Transfer Agent, has the meaning given to such term in the Securities Agency Agreement. If a city is not so specified in respect of a Reference Dealer, the Specified Office will be deemed to be an office or branch of such Reference Dealer located in the Principal Financial Centre of the Reference Currency unless no quotations are available from the relevant office or branch of such Reference Dealer in which case, the Specified Office of the relevant Reference Dealer shall be the office or branch of such Reference Dealer located in any major financial market for the purchase and sale of the Reference Currency and the Settlement Currency outside the country where the Reference Currency is the lawful currency, as selected by the Determination Agent;

"**Specified Time**" means, in respect of any Series of Warrants or Certificates and the determination of the Spot Rate, the time specified as such in the applicable Pricing Supplement;

"**Sterling**" and "**£**" are to the lawful currency of the United Kingdom;

"**Strike Date**" means the date as specified in the applicable Pricing Supplement;

"**Strike Price**" means, in respect of any Series of Warrants or Certificates, the price, level or amount specified as such or otherwise determined as provided in the applicable Pricing Supplement;

"**Strike Price Payment Date**" has the meaning ascribed thereto in the applicable Pricing Supplement;

"**Substitution Date**" has the meaning given to it in Condition 33.6 (*Right to Terminate in respect of substitution with non Morgan Stanley Group Entities*);

"**Substitution Termination Date**" has the meaning given to it in Condition 33.6 (*Right to Terminate in respect of substitution with non Morgan Stanley Group Entities*);

"**Swedish CSD**" means a duly authorised Swedish central securities depository (*Sw.*: *central värdepappersförvarare*) under the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*Sw.*: *lag (1998:1479) lagen om värdepapperscentraler och kontoföring av finansiella instrument*), which is expected to be Euroclear Sweden AB, Klarabergsviadukten 63, Box 191, SE 101 23, Stockholm, Sweden;

"**Swedish Issuing and Paying Agent**" means Skandinaviska Enskilda Banken AB (publ) or a duly authorised issuing agent under the relevant NCSD Rules and designated as such by the Issuer, as specified in the applicable Pricing Supplement;

"**Swedish Securities**" means any Tranche of Warrants or Certificates issued by Morgan Stanley B.V. or, as applicable, Morgan Stanley & Co. International plc and designated by the Issuer as "Swedish Securities" in the applicable Pricing Supplement;

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

"**Taxes**" means all applicable stamp tax, stamp duty reserve tax, financial transaction tax, estate, inheritance, gift, transfer, capital gains, corporation, income, property, withholding, other taxes, duties and charges;

"**Underlying Securities**" means shares, futures contracts, bonds, other debt securities, other securities or other property specified as such in the applicable Pricing Supplement, and "**Underlying Security**" shall be construed accordingly;

"**Underlying Security Issuer**" means, in respect of Underlying Securities, the issuer of the relevant Underlying Securities; and

"**U.S. Dollars**", "**U.S.$**" and "**$**" are to the lawful currency of the United States of America.

3. Form, Title and Transfer

3.1 *Form*

Morgan Stanley may issue Certificates, and MSI plc, MSBV and MSFL may issue Warrants and Certificates, in registered form ("**Registered Warrants**" and "**Registered Certificates**", together, the "**Registered Securities**"). MSBV and MSI plc may also issue Warrants and Certificates in

dematerialised and uncertificated book-entry form with a Nordic central securities depositary ("**Nordic Securities**").

3.2 ***Registered Securities***

(a) *Form*: Registered Securities will be in global registered form ("**Global Registered Securities**") or individual registered form ("**Individual Registered Securities**"), in each case as specified in the applicable Pricing Supplement.

(b) *Title*: Title to the Registered Securities passes by registration in the Register which is kept by the Securities Registrar in accordance with the provisions of the Securities Agency Agreement. A certificate (an "**Individual Registered Security**") will be issued to each holder of Registered Securities in respect of its registered holding. Each Individual Registered Security will be numbered serially with an identifying number which will be recorded in the Register. "**holder**" means the person in whose name such Registered Security is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Securityholder**" shall be construed accordingly.

(c) *Ownership*: The holder of any Registered Security shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or on the Individual Registered Security relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

(d) *Transfers*: Subject to Conditions 3.2(g) (*Closed Periods*) and 3.2(h) (*Regulations concerning transfers and registration*) below, a Registered Security may be transferred upon surrender of the relevant Individual Registered Security, with the endorsed form of transfer duly completed, at the Specified Office of the Securities Registrar or any Securities Transfer Agent, together with such evidence as the Securities Registrar or (as the case may be) such Securities Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer. Where not all the Registered Securities represented by the surrendered Individual Registered Security are the subject of the transfer, a new Individual Registered Security in respect of the balance of the Registered Securities will be issued to the transferor. In respect of Warrants or Certficiates for which "(China Connect – ChiNext Shares)" is specified next to the name of the Exchange in the applicable Pricing Supplement, any transfer of such Warrants or Certificates shall only be to owners and beneficial owners who each are an Eligible Investor.

(e) *Registration and Delivery*: Within five business days of the surrender of an Individual Registered Security in accordance with Condition 3.2(d) (*Transfers*) above, the Securities Registrar will register the transfer in question and deliver a new Individual Registered Security of a like number or nominal amount to the Registered Securities transferred to each relevant holder at its Specified Office or (as the case may be) the Specified Office of any Securities Transfer Agent or (at the request and risk of any such relevant holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant holder. In this Condition 3.2(e) (*Registration and Delivery*), "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Securities Registrar or (as the case may be) the relevant Securities Transfer Agent has its Specified Office.

(f) *No charge*: The transfer of a Registered Security will be effected without charge by or on behalf of the Issuer or the Securities Registrar or any Securities Transfer Agent but against such indemnity as the Securities Registrar or (as the case may be) such Securities Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(g) *Closed Periods*: Holders of Registered Securities may not require transfers to be registered during the period of 15 days ending on the due date for any payment in respect of the Registered Securities.

(h) *Regulations concerning transfers and registration*: All transfers of Registered Securities and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Securities scheduled to the Securities Agency Agreement. The regulations may be changed by the

Issuer with the prior written approval of the Securities Registrar. A copy of the current regulations will be mailed (free of charge) by the Securities Registrar to any holder of Registered Securities who requests in writing a copy of such regulations. The relevant Issuer shall have the right to refuse to honour the transfer of any Securities to a person who is a U.S. Person (as defined in Regulation S) or is in the United States.

3.3 ***Nordic Securities***

Warrants and Certificates designated as "Finnish Securities" or "Swedish Securities" in the applicable Pricing Supplement will be issued in uncertificated and dematerialised book entry form in accordance with the NCSD Rules. In respect of Nordic Securities, "**Securityholder**" and "**holder**" means the person in whose name a Nordic Security is registered in the NCSD Register and the reference to a person in whose name a Nordic Security is registered shall include also any person duly authorised to act as a nominee (*Sw. Förvaltare*) and so registered for the Nordic Security. Title to Nordic Securities shall pass by registration in the NCSD Register. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined above) of any Nordic Security shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the holder. The Issuer shall be entitled to obtain information from the NCSD Register in accordance with the NCSD Rules. As the Nordic Securities will be in uncertificated and dematerialised book-entry form, the Conditions as so amended shall be deemed to be incorporated by reference in, and to form part of, the MSBV Deed of Covenant or the MSI plc Deed of Covenant (as the case may be), by which the Nordic Securities are constituted. No physical global or definitive warrants or certificates will be issued in respect of Nordic Securities.

3.4 ***General provisions relating to the Warrants and Certificates***

Interests in any Warrants or Certificates will be transferable in a minimum amount of such number of Warrants or Certificates (the "**Minimum Transfer Amount**") as is specified in the applicable Pricing Supplement.

Warrants and Certificates may not be offered, sold, delivered or otherwise transferred at any time within the United States or to, or for account or benefit of, U.S. Persons (as such are used in Regulation S and the CEA) and each Warrant or Certificate will have a legend to such effect.

4. Status of Warrants and Certificates

4.1 ***Status of Warrants and Certificates***

The Warrants and Certificates of each Series constitute direct and general obligations of the Issuer which rank *pari passu* among themselves.

4.2 ***Status of Guarantee***

The Guarantor's obligations in respect of Warrants and Certificates issued by MSBV (other than Warrants and Certificates the Pricing Supplement relating to which specifies that such Warrants or Certificates are not guaranteed by Morgan Stanley) and MSFL constitute direct and general obligations of the Guarantor which rank without preference among themselves and *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by laws affecting creditors' rights.

4.3 ***The Issuer may elect the form of settlement***

By exercising a Warrant or Certificate, the holder thereof shall be deemed to have agreed to such form of settlement as the Issuer may elect in accordance with Conditions 5.6 (*Optional Physical Settlement*) and 5.7 (*Optional Cash Settlement*), if applicable.

5. Rights on Exercise of Warrants and Certificates

5.1 ***American Style Securities***

If the Warrants or Certificates are specified in the applicable Pricing Supplement as being "**American Style Securities**", then this Condition 5.1 (*American Style Securities*) is applicable and the Warrants or Certificates are exercisable not later than the Latest Exercise Time on any day during the Exercise Period which is a Business Day and, if so specified in the applicable Pricing Supplement, a Scheduled Trading Day, an Exchange Business Day, a Commodity Business Day, a Currency Business Day and/or a Fund Business Day, subject to Condition 5.9 (*Warrants and Certificates void on expiry*) and to prior termination of the Warrants or Certificates as provided in Conditions 9.3 (*Adjustments affecting Shares and ETF Interests*) to 22 (*Provisions relating to all Warrants and Certificates*) (as applicable), 25 (*Events of Default*) and 26 (*Illegality and Regulatory Event*).

5.2 ***European Style Securities***

If the Warrants or Certificates are specified in the applicable Pricing Supplement as being "**European Style Securities**", then this Condition 5.2 (*European Style Securities*) is applicable and the Warrants or Certificates are exercisable only not later than the Latest Exercise Time on the Expiration Date, subject to Condition 5.9 (*Warrants and Certificates void on expiry*) and to prior termination of the Warrants or Certificates as provided in Conditions 9.3 (*Adjustments affecting Shares and ETF Interests*) to 22 (*Provisions relating to all Warrants and Certificates*) (as applicable), 25 (*Events of Default*) and 26 (*Illegality and Regulatory Event*).

5.3 ***Bermudan Style Securities***

If the Warrants or Certificates are specified in the applicable Pricing Supplement as being "**Bermudan Style Securities**", then this Condition 5.3 (*Bermudan Style Securities*) is applicable and the Warrants or Certificates are exercisable only not later than the Latest Exercise Time on each Potential Exercise Date, subject to Condition 5.9 (*Warrants and Certificates void on expiry*) and to prior termination of the Warrants or Certificates as provided in Conditions 9.3 (*Adjustments affecting Shares and ETF Interests*) to 22 (*Provisions relating to all Warrants and Certificates*) (as applicable), 25 (Events of Default) and 26 (*Illegality and Regulatory Event*).

5.4 ***Cash Settlement Securities***

If the Warrants or Certificates are specified in the applicable Pricing Supplement as being "**Cash Settlement Securities**", then, subject to Condition 5.6 (*Optional Physical Settlement*) if applicable, upon exercise each Warrant and Certificate entitles the holder thereof to receive from the Issuer on the Cash Settlement Payment Date an amount (the "**Cash Settlement Amount**") calculated in accordance with the applicable Pricing Supplement in the currency (the "**Settlement Currency**") specified in the applicable Pricing Supplement (less any amount in respect of Taxes). The Cash Settlement Amount will be rounded down to the nearest minimum unit of the Settlement Currency, with Warrants or Certificates exercised at the same time by the same Securityholder being aggregated for the purpose of determining the aggregate Cash Settlement Amount payable in respect of such Warrants or Certificates.

5.5 ***Physical Settlement Securities***

(a) *Full Physical Settlement Securities*: If the Warrants or Certificates are specified in the applicable Pricing Supplement as being "**Full Physical Settlement Securities**", then, subject to Condition 5.7 (*Optional Cash Settlement*) if applicable, upon the exercise of a Warrant or Certificate by a Securityholder, the Issuer will deliver or procure the delivery of all the Underlying Securities in respect of such Warrant or Certificate on the Physical Settlement Date to the account of the Clearing System specified, or as may otherwise be specified for that purpose by such Securityholder in the relevant Exercise Notice, following payment by such Securityholder to or to the order of the Issuer on or before the Strike Price Payment Date of the Strike Price (plus an amount equal to **Taxes** due by reason of the exercise of such Warrant or Certificate and the purchase for, and credit to or to the order of such Securityholder of such Underlying Securities and, in the case of Bond-Linked Securities, accrued interest, if any, on the Bond Security

Entitlement computed by the Determination Agent in accordance with customary trade practices employed with respect to bonds or such other debt securities), all as more fully described in Condition 6 (*Exercise*).

(b) *Part Physical Settlement Securities*: If the Warrants or Certificates are specified in the applicable Pricing Supplement as being "**Part Physical Settlement Securities**", then, subject to Condition 5.7 (*Optional Cash Settlement*) if applicable, upon the exercise of a Warrant or Certificate by a Securityholder, the Issuer will deliver or procure the delivery of all the Underlying Securities in respect of such Warrant or Certificate on the Physical Settlement Date to the account of the Clearing System specified, or as may otherwise be specified for that purpose by such Securityholder in the relevant Exercise Notice. The number of Underlying Securities to be so delivered shall be an amount of Underlying Securities, rounded down if not a whole number, whose market value (as determined by the Determination Agent in its reasonable discretion) on the Exercise Date (less any commissions which the Issuer may charge at such rate as it deems fit in its reasonable discretion and any applicable Taxes due by reason of the exercise of such Warrant or Certificate and the purchase for, and credit to or to the order of such Securityholder of such Underlying Securities) is equal to the excess, if any, of the Settlement Price over the Strike Price (plus, in the case of Bond-Linked Securities, any accrued interest, as specified in Condition 5.5(a) (*Full Physical Settlement Securities*) above). Where a Securityholder becomes entitled to receive Underlying Securities in respect of more than one Warrant or Certificate, any rounding adjustment referred to in this Condition 5.5(b) (*Part Physical Settlement Securities*) shall be applied only to the aggregate number of Underlying Securities deliverable in respect of such Warrants or Certificates.

(c) *Other Physical Settlement Securities*: If the Warrants or Certificates are specified in the applicable Pricing Supplement as being "**Other Physical Settlement Securities**", then, subject to Condition 5.7 (*Optional Cash Settlement*) if applicable, upon the exercise of a Warrant or Certificate by a Securityholder, the Issuer will deliver or procure the delivery of such amount of Underlying Securities, or the Warrants or Certificates will be settled in any other manner, as may be specified in, or determined in accordance with, the applicable Pricing Supplement.

(d) In these Conditions, references to "**Physical Settlement Securities**" shall, where the context so admits, comprise Full Physical Settlement Securities, Part Physical Settlement Securities and Other Physical Settlement Securities.

5.6 ***Optional Physical Settlement***

If this Condition 5.6 (*Optional Physical Settlement*) is specified in the applicable Pricing Supplement as being applicable, then, upon the exercise of a Warrant or Certificate by a Securityholder, the Issuer may elect not to pay the Cash Settlement Amount to that Securityholder in accordance with Condition 5.4 (*Cash Settlement Securities*), but instead deliver or procure the delivery of Underlying Securities in accordance with Condition 5.5(a) (*Full Physical Settlement Securities*) or Condition 5.5(b) (*Part Physical Settlement Securities*).

5.7 ***Optional Cash Settlement***

If this Condition 5.7 (*Optional Cash Settlement*) is specified in the applicable Pricing Supplement as being applicable, then, upon the exercise of a Warrant or Certificate by a Securityholder, the Issuer may elect not to deliver or procure the delivery of Underlying Securities in accordance with Condition 5.5(a) (*Full Physical Settlement Securities*) or Condition 5.5(b) (*Part Physical Settlement Securities*), but instead to pay the Cash Settlement Amount to that Securityholder in accordance with Condition 5.4 (*Cash Settlement Securities*).

5.8 ***Notification of election***

If Condition 5.6 (*Optional Physical Settlement*) or Condition 5.7 (*Optional Cash Settlement*) is specified in the applicable Pricing Supplement as being applicable, the Issuer will, by the close of business (London time) on the Settlement Election Date, notify the Principal Securities Agent, the Securities Registrar (in the case of the Registered Warrants or Registered Certificates, the Determination Agent and the relevant Securityholder whether it has elected to pay the Cash

Settlement Amount in accordance with Condition 5.4 (*Cash Settlement Securities*) or deliver or procure the delivery of Underlying Securities in accordance with Condition 5.5(a) (*Full Physical Settlement Securities*) or Condition 5.5(b) (*Part Physical Settlement Securities*). Notice to the relevant Securityholder shall be given by facsimile or telex to the number specified in the relevant Exercise Notice, and any notice so given shall be deemed received by the relevant Securityholder.

5.9 ***Warrants and Certificates void on expiry***

Subject to Condition 6.7 (*Deemed Exercise*), Warrants or Certificates with respect to which an Exercise Notice has not been duly completed and delivered to the Principal Securities Agent or the Securities Registrar, in the manner set out in Condition 6 (*Exercise*), before the Latest Exercise Time shall become void for all purposes and shall cease to be transferable.

5.10 **Delivery outside the United States**

Notwithstanding the foregoing, no cash, securities or other property shall be delivered in the United States (as defined in Regulation S and in the CEA) in connection with the settlement of, or exercise of, Warrants or Certificates.

6. **Exercise**

6.1 ***Exercise Notice***

(a) Subject to Condition 5.9 (*Warrants and Certificates void on expiry*) and to prior termination of the Warrants or Certificates as provided in Conditions 9.3 (*Adjustments affecting Shares and ETF Interests*) to 22 (*Provisions relating to all Warrants and Certificates) (*as applicable), 25 (*Events of Default*) and 26 (*Illegality and Regulatory Event*), Warrants and Certificates may be exercised by a Securityholder (at his own expense) at such time and on such day(s) as provided in Condition 5.1 (*American Style Securities*), 5.2 (*European Style Securities*) or 5.3 (*Bermudan Style Securities*), as applicable, by (i) depositing from a location outside the United States the relevant Individual Registered Security and delivering from a location outside the United States a duly completed and signed Exercise Notice to the Securities Registrar and (ii) delivering a copy of such Exercise Notice to the Determination Agent.

(b) Subject to Condition 5.9 (*Warrants and Certificates void on expiry*), any Exercise Notice delivered after the Latest Exercise Time on any day shall: (a) in the case of Bermudan Style Securities and European Style Securities, be void and (b) in the case of American Style Securities, be deemed to have been delivered on the next following day on which such Warrants or Certificates are exercisable (unless no such day occurs on or prior to the Expiration Date, in which case that Exercise Notice shall be void).

(c) The Securities Registrar with which an Individual Registered Security is so deposited shall deliver a duly completed Exercise Receipt to the depositing Securityholder.

(d) No Individual Registered Security, once deposited with a duly completed Exercise Notice in accordance with this Condition 6 (*Exercise*), may be withdrawn; provided however that if, following due presentation of any such Individual Registered Security, payment of the moneys falling due is improperly withheld or refused by the relevant Issuer, the relevant Securities Agent or Securities Registrar (as applicable) shall mail notification thereof to the depositing Securityholder at such address as may have been given by such Securityholder in the relevant Exercise Notice and shall hold such Individual Registered Security at its Specified Office for collection by the depositing Securityholder against surrender of the relevant Exercise Receipt.

6.2 ***Form of Exercise Notice for Cash Settlement Securities***

Each Exercise Notice shall be in the form (for the time being current) available from each Securities Agent or the Securities Registrar, and must:

(a) specify the name, address, telephone and facsimile details of the Securityholder in respect of the Warrants or Certificates being exercised;

(b) specify the number of Warrants or Certificates of the relevant Series being exercised by the Securityholder (which must not be less than the Minimum Exercise Number);

(c) include an irrevocable undertaking to pay any applicable Taxes due by reason of exercise of the relevant Warrants or Certificates and, if such amounts have not been paid prior to the Cash Settlement Payment Date, an authority to the Issuer to deduct an amount in respect thereof from any Cash Settlement Amount due to such Securityholder (on the Cash Settlement Payment Date) and to credit the specified account of the Principal Securities Agent (for the account of the relevant Issuer) with an amount or amounts in respect thereof;

(d) specify the details of the relevant account of the Securityholder to be credited with the relevant Cash Settlement Amount; and

(e) contain a representation and warranty from the Securityholder to the effect that the Warrants or Certificates to which the Exercise Notice relates are free from all liens, charges, encumbrances and other third party rights.

6.3 ***Form of Exercise Notice for Physical Settlement Securities***

If the Warrants or Certificates are specified in the applicable Pricing Supplement as being Physical Settlement Securities or if Condition 5.6 (*Optional Physical Settlement*) is specified in the applicable Pricing Supplement as being applicable, the Exercise Notice shall:

(a) specify the name, address, telephone and facsimile details of the Securityholder in respect of the Warrants or Certificates being exercised;

(b) specify the number of Warrants or Certificates of the relevant Series being exercised by the Securityholder (which must not be less than the Minimum Exercise Number);

(c) in the case of Full Physical Settlement Securities, include an irrevocable undertaking to pay on or prior to the Strike Price Payment Date to the specified account of the Principal Securities Agent (for the account of the relevant Issuer) the aggregate Strike Price in respect of the Warrants or Certificates being exercised (plus any applicable Taxes and, in the case of Bond-Linked Securities, any accrued interest, as specified in Condition 5.5(a) (*Full Physical Settlement Securities*) above);

(d) include an irrevocable undertaking to pay to the specified account of the Principal Securities Agent (for the account of the relevant Issuer) any applicable Taxes (to the extent payable but unpaid) determined by the Issuer to be payable by reason of the transfer (if any) of Underlying Securities to the account specified by the Securityholder to the account of the Issuer with an amount in respect thereof;

(e) specify the details of the Securityholder's account to be credited with the relevant Underlying Securities;

(f) contain a representation and warranty from the Securityholder to the effect that the Warrants or Certificates to which the Exercise Notice relates are free from all liens, charges, encumbrances and other third party rights;

(g) specify such other details as the applicable Pricing Supplement may require; and

(h) certify that the Warrants or Certificates are not being exercised or settled by or on behalf of a U.S. Person or a person within the United States and the Warrants or Certificates are not beneficially owned by a U.S. Person or a person within the United States (terms used in this Condition 6.3(h) (Form of Exercise Notice for Physical Settlement Securities) have the meanings in Regulation S).

6.4 ***Additional Exercise Notice Requirements for Warrants or Certificates linked to Shares traded through the China Connect Service***

In the case of Warrants or Certificates which are Equity and Proprietary Index-Linked Securities (as defined in Condition 9 (*Provisions relating to Equity and Proprietary Index-Linked Securities*) in respect of which "(China Connect)" is specified next to the name of the Exchange in the relevant

Pricing Supplement, the Exercise Notice shall, in addition to satisfying the requirements of Condition 6.2 (*Form of Exercise Notice for Cash Settlement Securities*) or Condition 6.3 (*Form of Exercise Notice for Physical Settlement Securities*) (as applicable) certify that:

(a) each of the owner and the beneficial owner of each Warrant or Certificate being exercised:

(i) in the case of an individual, is not a China Resident; or

(ii) in the case of an entity, either (x) is not incorporated or registered under the laws of China or (y) has purchased and held the Warrant or Certificate pursuant to any program approved by, or approval of or registration with, any competent China regulator; and

(b) each of the owner and the beneficial owner of each Warrant or Certificate being exercised used funds lawfully owned by it and located outside China to purchase the Warrant or Certificate unless it purchased and held the Warrant or Certificate pursuant to any program approved by, or approval of or registration with, any competent China regulator; and

(c) the purchase and holding of the Warrant or Certificate by each of the owner and the beneficial owner of each Warrant or Certificate being exercised did not, and does not, violate the laws and regulations of China, including those in relation to foreign exchange control and reporting; and

further to the above, where "ChiNext Shares" is specified also next to the name of the Exchange in the relevant Pricing Supplement (such that the specification is "(China Connect – ChiNext Shares)"), the Exercise Notice shall also certify that each of the owner and the beneficial owner of each Warrant or Certificate being exercised is an Eligible Investor.

"**China Resident**" means a person who is a citizen of China and does not have permanent right of abode in a jurisdiction outside China.

6.5 **Verification of Securityholder**

(a) To exercise Warrants or Certificates the holder thereof must duly complete an Exercise Notice. The relevant Securities Agent or the Securities Registrar shall, in accordance with its normal operating procedures, verify that each person exercising the Warrants and Certificates is the holder thereof.

(b) If, in the determination of the relevant Securities Agent or the Securities Registrar:

(i) the Exercise Notice is not complete or not in proper form;

(ii) the person submitting an Exercise Notice is not validly entitled to exercise the relevant Warrants or Certificates or not validly entitled to deliver such Exercise Notice; or

(iii) the relevant Securityholder does not provide evidence, at the reasonable request of the relevant Securities Agent or Securities Registrar, that sufficient funds equal to any applicable Taxes and the aggregate Strike Price (if any) will be available on the Exercise Date,

(iv) that Exercise Notice will be treated as void and a new duly completed Exercise Notice must be submitted if exercise of the holder's Warrants or Certificates is still desired.

(c) Any determination by the relevant Securities Agent or Securities Registrar as to any of the matters set out in Condition 6.5(b) (*Verification of Securityholder*) above shall, in the absence of manifest error, be conclusive and binding upon the Issuer and the Securityholder of the Warrants or Certificates exercised.

(d) In the case of Warrants and Certificates the exercise of which would require the Issuer to deliver indebtedness in bearer form, the issuance of, payment on and delivery of the Warrants or Certificates and the indebtedness will be subject to the limitations set out in these Conditions and the applicable Pricing Supplement.

6.6 ***Notification to the relevant Securities Agent or Securities Registrar***

(a) Subject to the verification set out in Condition 6.5(a) (*Verification of Securityholder*) above, the relevant Securities Agent or the Securities Registrar will confirm to the Principal Securities Agent (copied to the Issuer and the Determination Agent) the receipt of the Exercise Notice and the number of Warrants or Certificates being exercised.

(b) Upon the exercise in part of the total number or aggregate nominal amount of Warrants or Certificates represented by an Individual Registered Security, the Securities Registrar will note such exercise shall cancel the relevant Individual Registered Security deposited and issue the holder of the relevant Warrant or Certificate with a new Individual Registered Security representing the number or nominal amount of the holder's Warrants or Certificates not exercised.

6.7 ***Deemed Exercise***

If "**Deemed Exercise**" is specified in the applicable Pricing Supplement to be applicable in relation to a Series of Warrants or Certificates, where an Exercise Notice has not been duly completed and delivered by the Latest Exercise Time on the Expiration Date in respect of any Warrants or Certificates of such Series, each such Warrant or Certificate shall be deemed to have been exercised at that time on such date and/or upon such other terms as may be specified in the applicable Pricing Supplement, subject in each case to prior termination as provided for in Conditions 9.3 (*Adjustments affecting Shares and ETF Interests*) to 22 (*Provisions relating to all Warrants and Certificates*) (as applicable), 25 (*Events of Default*) and 26 (*Illegality and Regulatory Event*).

Notwithstanding such Deemed Exercise, the Issuer shall be under no obligation to settle any such Warrant or Certificate until the holder has delivered an Exercise Notice in the prescribed form in accordance with Conditions 6.2 (*Form of Exercise Notice for Cash Settlement Securities*) and/or 6.3 (*Form of Exercise Notice for Physical Settlement Securities*) above, **provided that** where the holder has not delivered an Exercise Notice within 30 Business Days of the day on which such Warrants or Certificates were deemed to have been exercised, such Warrants or Certificates shall become void for all purposes.

6.8 ***Payment and delivery – Registered Securities***

(a) In respect of Registered Securities which have been exercised in full and which are specified in the applicable Pricing Supplement as being Cash Settlement Securities, or in respect of which the Issuer has elected Cash Settlement in accordance with Condition 5.7 (*Optional Cash Settlement*) payments in respect of any amounts in respect of a Registered Security shall be made only following surrender of the relevant Individual Registered Security at the Specified Office of the Securities Registrar outside the United States by cheque drawn in the currency in which the payment is due on, or, upon application of a holder of a Registered Security, by transfer to the account specified by the relevant Securityholder in the Exercise Notice denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the principal financial centre of that currency not later than the Business Day that is not later than fifteen days prior to the due date for payment.

(b) In respect of Registered Securities which have been exercised and which are specified in the applicable Pricing Supplement as being Physical Settlement Securities, or in respect of which the Issuer has elected Physical Settlement in accordance with Condition 5.6 (*Optional Physical Settlement*), subject, in the case of Full Physical Settlement Securities, to transfer of the Strike Price (plus any applicable Taxes and, in the case of Bond-Linked Securities, any accrued interest, as specified in Condition 5.5(a) (*Full Physical Settlement Securities*) above) from the relevant account of the Securityholder to the relevant account of the Principal Securities Agent (in favour of the Issuer) as aforesaid, the Issuer shall, on the Physical Settlement Date deliver or procure the delivery of the relevant number of Underlying Securities in respect of each Registered Security for credit to the account specified in the relevant Exercise Notice. The Issuer shall be entitled, if it so elects, to divide any Underlying Securities to be transferred into such number of lots of such size as it desires to facilitate its delivery obligations.

(c) Exercise of the Registered Securities and payments and deliveries by the Issuer and the Securities Agents will be subject in all cases to all applicable fiscal and other laws, regulations and practices in force at the relevant time (including, without limitation, any relevant exchange control laws or regulations) and none of the Issuer or any Securities Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations and practices.

(d) Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed on the later of the due date for payment and the day on which the relevant Individual Registered Security is surrendered at the Specified Office of the Securities Registrar. A holder of a Registered Security shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Business Day or (B) a cheque mailed in accordance with this Condition 6 (*Exercise*) arriving after the due date for payment or being lost in the mail.

(e) Each payment or delivery in respect of a Registered Security will be made to the person shown as the holder in the Register at the close of business in the place of the Securities Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where the payment in respect of a Registered Security is to be made by cheque, the cheque will be mailed to the address of the holder in the Register at the close of business on the relevant Record Date.

(f) Notwithstanding the foregoing, in respect of CNY Securities, no payment in CNY will be made by cheque and all payments to Securityholders will be made solely (i) for so long as the CNY Securities are represented by a Global Registered Security held with the common depositary for Clearstream Banking société anonyme and Euroclear Bank S.A./N.V. or any alternative clearing system, by transfer to a CNY bank account maintained outside the PRC, or (ii) for so long as the Securities are in definitive form, by transfer to a CNY bank account maintained outside the PRC, in each case in accordance with prevailing rules and regulations.

6.9 ***Effect of Exercise Notice***

(a) For so long as any outstanding Warrant or Certificate is held by a Securities Agent, Securities Registrar or Securities Transfer Agent in accordance with this Condition 6 (*Exercise*), the depositor of the relevant Individual Registered Security and not such Securities Agent, Securities Registrar or Securities Transfer Agent (as applicable) shall be deemed to be the Securityholder for all purposes.

(b) Delivery of an Exercise Notice shall constitute an irrevocable election and undertaking by the Securityholder to exercise the Warrants or Certificates specified therein, provided that, in the case of a Registered Security, the person exercising and delivering such Exercise Notice is the person then appearing in the Register as the holder of the relevant Registered Security. If the person exercising and delivering the Exercise Notice is not the person so appearing, such Exercise Notice shall for all purposes become void and shall be deemed not to have been so delivered.

(c) After the delivery of an Exercise Notice (other than an Exercise Notice which shall become void pursuant to Condition 6.1(b) (*Exercise Notice*)) by a Securityholder, such Securityholder shall not be permitted to transfer either legal or beneficial ownership of the Warrants or Certificates exercised thereby. Notwithstanding this, if any Securityholder does so transfer or attempt to transfer such Warrants or Certificates, the Securityholder will be liable to the Issuer for any losses, costs and expenses suffered or incurred by the Issuer including those suffered or incurred as a consequence of it having terminated any related hedging operations in reliance on the relevant Exercise Notice and subsequently: (i) entering into replacement hedging operations in respect of such Warrants or Certificates; or (ii) paying any amount on the subsequent exercise of such Warrants or Certificates without having entered into any replacement hedging operations.

6.10 ***Minimum Number of Warrants and Certificates Exercisable***

The Warrants and Certificates are exercisable in the minimum number (the "**Minimum Exercise Number**") specified in the applicable Pricing Supplement (or, if a "**Permitted Multiple**" is specified in the applicable Pricing Supplement, higher integral multiples of the Minimum Exercise

Number) on any particular occasion or such lesser Minimum Exercise Number or other Permitted Multiple as the Issuer may from time to time notify to the Securityholders in accordance with Condition 27 (*Notices*).

6.11 ***Exercise and Settlement of Nordic Securities***

Nordic Securities may only be exercised by delivery of a duly completed Exercise Notice to the relevant Nordic Issuing and Paying Agent in respect of the relevant Tranche of Nordic Securities and these Conditions shall be construed accordingly. The relevant Nordic Issuing and Paying Agent (or such other person designated by the then applicable NCSD Rules as responsible for such actions) shall perform the verification and debiting of the relevant securities accounts referred to in Condition 6.5 (*Verification of Securityholder*) and Condition 6.8 (*Payment and delivery – Registered Securities*) (or, as the case may be under the then applicable NCSD Rules, request and/or effect the transfer by the holder of the relevant Nordic Securities to an account blocked for further transfers until such debiting may occur) and notify the Principal Securities Agent in accordance with Condition 6.6 (*Notification to the relevant Securities Agent or Securities Registrar*). Cash Settlement and, to the extent applicable, settlement in respect of Physical Settlement Securities, will occur in accordance with the NCSD Rules and payments will be effected to the holder recorded as such on the record date (as specified in the then applicable NCSD Rules) or such other business day falling closer to the due date as may then be stipulated in said NCSD Rules (such date being the "**Record Date**" for the purposes of the Nordic Securities). Claims for any amount payable in respect of the Nordic Securities shall become void unless made within a period of ten years after the relevant due date.

7. **Issuer Call Option**

7.1 *Dicretionary Call Option:* Subject to Condition 7.2 (Issuer Call Option - Non-discretionary Call Option), if the Call Option is specified in the applicable Pricing Supplement as being applicable, the Warrants or Certificates may be terminated at the option of the Issuer in whole or, if so specified in the applicable Pricing Supplement, in part on any Optional Settlement Date at the relevant Optional Settlement Amount on the Issuer's giving not less than the Minimum Call Notice Number of Day(s) nor more than the Maximum Call Notice Number of Day(s) notice to the Securityholders (which notice shall be irrevocable and shall oblige the Issuer to terminate the Warrants or Certificates specified in such notice on the relevant Optional Settlement Date at the Optional Settlement Amount plus accrued interest (if any) to such date).

7.2 *Non-discretionary Call Option:* Notwithstanding anything to the contrary in Condition 7.1 (Issuer Call Option - Discretionary Call Option), if Non-discretionary Call Option is specified in the applicable Pricing Supplement as being applicable, the Warrants or Certificates shall be terminated by the Issuer in whole, but not in part, on any Optional Settlement Date at the relevant Optional Settlement Amount if, and only if, the output of a risk neutral valuation model on a Business Day that is at least five (5) but no greater than eight (8) Business Days prior to such Optional Settlement Date, as selected by the Determination Agent (the "Optional Settlement Determination Date"), taking as input: (i) prevailing reference market levels, volatilities and correlations, as applicable and in each case as of the Optional Settlement Determination Date and (ii) the Issuer's credit spreads as of the Trade Date(s) indicates, in the determination of the Determination Agent, that terminating the Warrants or Certificates on such Optional Settlement Date would be economically more rational for the Issuer than not terminating the Warrants or Certificates on such Optional Settlement Date. If the Issuer is required to terminate the Warrants or Certificates on any Optional Settlement Date in accordance with this Condition 7.2 (Redemption at the Non-discretionary Option of the Issuer), the Issuer will give the Securityholders not less than five (5) Business Days' prior notice.

8. **Equity and Proprietary Index-Linked, Commodity-Linked, Currency-Linked, Inflation-Linked, Futures Contract-Linked, Property-Linked, Fund-Linked, Bond-Linked, and ETN-Linked Securities**

8.1 **Morgan Stanley may issue Morgan Stanley Securities and MSI plc, MSBV and MSFL may**

issue Securities:

(a) the payment of principal of which is linked to the shares of an entity or a basket of shares of entities not affiliated with the Issuer and/or to a single index of shares or indices of shares, a single proprietary index or proprietary indices, and/or interests in a single exchange traded fund or basket of exchange traded funds (respectively, "**Single Share Securities**", "**Share Basket Securities**", "**Single Index Securities**" (which shall include Securities linked to a single proprietary index), "**Index Basket Securities**" (which shall include Securities linked to a basket of proprietary indices), "**Single ETF Securities**" and "**ETF Basket Securities**", and together, "**Equity and Proprietary Index-Linked Securities**");

(b) the payment of principal of which is to be determined by reference to one or more commodity prices ("**Commodity-Linked Securities**");

(c) the payment of principal of which is to be determined by reference to one or more currencies as compared to the value of one or more other currencies ("**Currency-Linked Securities**");

(d) the payment of principal of which is linked to one or more inflation indices ("**Inflation-Linked Securities**"**);**

(e) the payment of principal of which is linked to a single futures contract or a basket of futures contracts (respectively "**Single Futures Contract Securities**" and "**Futures Contract Basket Securities**" and together, "**Futures Contract-Linked Securities**");

(f) the payment of principal of which is linked to one or more property indices ("**Property-Linked Securities**");

(g) the payment of principal of which is linked to interests in a fund or basket of funds (respectively "**Single Fund Securities**" and "**Fund Basket Securities**", together "**Fund-Linked Securities**");

(h) the payment of principal of which is linked to the price for the Underlying Securities ("**Bond-Linked Securities**");

(i) the payment of principal of which is linked to one or more ETNs ("**ETN-Linked Securities**"); or

(j) on any other terms and conditions,

in each case, in accordance with the Conditions herein which are specified as applicable to Equity and Proprietary Index-Linked Securities, Commodity-Linked Securities, Currency-Linked Securities, Inflation-Linked Securities, Property-Linked Securities, Fund-Linked Securities Bond-Linked Securities or ETN-Linked Securities, as the case may be, and the detailed terms and conditions set out in the applicable Pricing Supplement.

9. Provisions relating to Equity and Proprietary Index-Linked Securities

This Condition 9 (*Provisions relating to Equity and Proprietary Index-Linked Securities*) is applicable only in relation to Warrants or Certificates specified in the applicable Pricing Supplement as being Single Share Securities, Share Basket Securities, Single Index Securities, Index Basket Securities, Single ETF Securities or ETF Basket Securities ("**Equity and Proprietary Index-Linked Securities**").

9.1 *Reference Dates, Averaging Dates and Market Disruption*:

(a) If Reference Date is not a Scheduled Trading Day, the relevant Reference Date shall be the next succeeding Scheduled Trading Day or, if either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, the next succeeding Common Scheduled Trading Day.

(b) If any Scheduled Reference Date is a Disrupted Day, then:

(i) in the case of a Single Index Security, Single Share Security or Single ETF Security, the relevant Reference Date shall be the earlier of (i) the first succeeding Scheduled Trading Day that is not in the determination of the Determination Agent a Disrupted Day and (ii) the Reference Cut-Off Date (notwithstanding that such Scheduled Trading Day is a Disrupted Day).

(ii) in the case of an Index Basket Security, a Share Basket Security or an ETF Basket Security (as the case may be):

(A) where "Individual Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:

(1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and

(2) the Reference Date for any Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an "**Affected Basket Component**") shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component; and (B) the Reference Cut-Off Date for such Affected Basket Component (notwithstanding that such day may not be a Scheduled Trading Day).

(B) where "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then the Reference Date for each Basket Component shall be the earlier of (i) the first Common Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day with respect to any Basket Component; and (ii) the Reference Cut-Off Date (notwithstanding that such day may not be a Common Scheduled Trading Day).

(C) where "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:

(1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and

(2) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an "**Affected Basket Component**") shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component; and (B) the Reference Cut-Off Date for such Affected Basket Component (notwithstanding that such day may not be a Common Scheduled Trading Day or a Scheduled Trading Day).

(iii) in the case of a Single Index Security, Single Share Security, Single ETF Security, Index Basket Security, Share Basket Security or ETF Basket Security (as the case may be), where a Reference Date falls on the relevant Reference Cut-Off Date pursuant to Condition 9.1(b)(ii) above, then:

(A) if such Reference Cut-Off Date is not a Disrupted Day for such Single Index Security, Single Share Security, Single ETF Security, Index Basket Security, Share Basket Security or ETF Basket Security (as the case may be), the Determination Agent shall determine the level of such Index or the value of such Share or ETF Interest (as the case may be) as at the Determination Time on such Reference Cut-Off Date; or

(B) if such Reference Cut-Off Date is a Disrupted Day:

(1) in respect of Single Index Securities and Index Basket Securities, the Determination Agent shall determine, in its reasonable discretion, the level of such Index as of the Determination Time on the Reference Cut-Off Date in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using (x) except in respect of a Proprietary Index, the Exchange traded or quoted price as of the Determination Time on such Reference Cut-Off Date of each security (or other property) comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on such Reference Cut-Off Date, its good faith estimate of the value for the relevant security as of the Determination Time on such Reference Cut-Off Date) and (y) in respect of a Proprietary Index, such levels or values as the Determination Agent determines to be appropriate as of the Determination Time on or in respect of that Reference Cut-Off Date in respect of each Component comprised in such Proprietary Index in respect of such Reference Cut-off Date; and

(2) in respect of Single Share Securities, Single ETF Securities, Share Basket Securities and ETF Basket Securities (as the case may be), the Determination Agent shall determine, in its reasonable discretion, its good faith estimate of the value for such Share or ETF Interest (as the case may be) as of the Determination Time on such Reference Cut-Off Date.

(c) If Averaging Dates are specified in the applicable Pricing Supplement as being applicable, then, notwithstanding any other provisions of these Conditions, the following provisions will apply to the valuation of the relevant Index, Share, ETF Interest, Basket of Indices, Basket of Shares or Basket of ETF Interests in relation to the relevant Reference Date:

(i) For purposes of determining the Settlement Price in relation to a Reference Date, the Settlement Price will be:

(A) in respect of a Single Index Security, a Single Share Security, a Single ETF Security, in respect of a Share Basket Security that is a Cash Settlement Security or a Part Physical Settlement Security, the arithmetic mean of the relevant Prices of the Index, the Shares or ETF Interests (as the case may be);

(B) in respect of an Index Basket Security, the arithmetic mean of the amounts for the Basket of Indices determined by the Determination Agent in its reasonable discretion as provided in the applicable Pricing Supplement as of the relevant Determination Time(s) on each Averaging Date or, if no means for determining the Settlement Price are

so provided, the arithmetic mean of the amounts for the Basket calculated on each Averaging Date as the sum of the Relevant Prices of each Index comprised in the Basket (weighted or adjusted in relation to each Index as provided in the applicable Pricing Supplement);

(C) in respect of a Share Basket Security, the arithmetic mean of the amounts for the Basket of Shares determined by the Determination Agent in its reasonable discretion as provided in the applicable Pricing Supplement as of the relevant Determination Time(s) on each Averaging Date or, if no means for determining the Settlement Price is so provided, the arithmetic mean of the amounts for the Basket calculated on each Averaging Date as the sum of the values calculated for the Shares of each Share Issuer as the product of (1) the Relevant Price of such Share and (2) the number of such Shares comprised in the Basket; and

(D) in respect of an ETF Basket Security, the arithmetic mean of the amounts for the Basket of ETF Interests determined by the Determination Agent in its reasonable discretion as provided in the applicable Pricing Supplement as of the relevant Determination Times(s) on each Averaging Date or, if no means for determining the Settlement Price is provided, the arithmetic mean of the amounts for the Basket calculated on each Averaging Date as the sum of the values calculated for the ETF Interests as the product of (1) the Relevant Price of such ETF Interest and (2) the number of such ETF Interests comprised in the Basket.

(ii) If, in respect of a Single Index Security, a Single Share Security or a Single ETF Security, a Scheduled Averaging Date is determined by the Determination Agent to be a Disrupted Day, then if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is:

(A) "**Omission**", then such date will be deemed not to be a relevant Averaging Date in respect of such Reference Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur with respect to the relevant Reference Date, then Condition 9.1(b) (*Reference Dates, Averaging Dates and Market Disruption*) will apply for purposes of determining the relevant level, price or amount on the final Averaging Date in respect of that Reference Date as if such final Averaging Date were a Reference Date that was a Disrupted Day;

(B) "**Postponement**", then Condition 9.1(b) (*Reference Dates, Averaging Dates and Market Disruption*) will apply for the purposes of determining the relevant level, price or amount on that date as if such date were a Reference Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the relevant Warrants or Certificates; or

(C) "**Modified Postponement**", then the Averaging Date shall be the earlier of (I) the first Valid Date following the Scheduled Averaging Date and (II) the Averaging Cut-Off Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date.

(iii) If, in respect of an Index Basket Security, a Share Basket Security or an ETF Basket Security, a Scheduled Averaging Date in respect of a Reference Date is determined by the Determination Agent to be a Disrupted Day in respect of any Basket Component, then:

(A) where "Individual Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Omission":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) such date shall not be an Averaging Date in respect of such Reference Date for any Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**"), provided that if through the operation of this provision there would not be any Averaging Date in respect of such Reference Date for the Affected Basket Component, then the sole Averaging Date for such Affected Basket Component shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component;

(2) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component. Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 9.1(c)(iii)(A)(2)(b) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

(3) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Modified Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Valid Date following the Scheduled Averaging Date in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;

(B) where "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Omission", such date will be deemed not to be a relevant Averaging Date in respect of any Basket Component for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision there would be no Averaging Date in respect of such Reference Date, then the sole Averaging Date for each Basket Component shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day for any Basket Component and (B) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day);

(2) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Postponement", then the Averaging Date shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of any Basket Component and (B) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day). Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 9.1(c)(iii)(B)(2) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

(3) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Modified Postponement", then the Averaging Date for each Basket Component shall be the earlier of (I) the first Common Valid Date following the Scheduled Averaging Date and (II) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day), irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;

(C) where "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is “Omission”:

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) such date shall not be an Averaging Date in respect of such Reference Date for any Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**"), provided that if through the operation of this provision there would not be any Averaging Date in respect of such Reference Date for the Affected Basket Component, then the sole Averaging Date for such Affected Basket Component shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component (notwithstanding the fact that such day may not be a Common Scheduled Trading Day);

(2) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component (notwithstanding the fact that such day not be a Common Scheduled Trading Day). Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 9.1(c)(iii)(C)(2)(b) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

(3) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Modified Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of

(I) the first Valid Date (that is a Scheduled Trading Day) following the Scheduled Averaging Date in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;

(iv) If, in respect of any Single Index Security, Single Share Security, Single ETF Security, Index Basket Security, Share Basket Security or ETF Basket Security (as the case may be), an Averaging Date falls on the relevant Averaging Cut-Off Date pursuant to Condition 9.1(c)(iii):

(A) if such Averaging Cut-Off Date is not a Disrupted Day for such Single Index Security, Single Share Security, Single ETF Security, Index Basket Security, Share Basket Security or ETF Basket Security (as the case may be), the Determination Agent shall determine the level of such Index or the value of such Share or ETF Interest (as the case may be) as at the Determination Time on such Averaging Cut-Off Date; or

(B) if such Averaging Cut-Off Date is a Disrupted Day:

(1) in respect of Single Index Securities and Index Basket Securities, the Determination Agent shall determine, in its reasonable discretion, the level of such Index as of the Determination Time on such date in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using (x) in except in respect of a Proprietary Index, the Exchange traded or quoted price as of the Determination Time on such Averaging Cut-Off Date of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on such Averaging Cut-Off Date, its good faith estimate of the value for the relevant security as of the Determination Time on such Averaging Cut-Off Date) and (y) in respect of a Proprietary Index, such levels or values as the Determination Agent determines to be appropriate as of the Determination Time on or in respect of that Averaging Cut-Off Date in respect of each Component comprised in such Proprietary Index in respect of such Averaging Cut-off Date; and

(2) in respect of Single Share Securities, Single ETF Securities, Share Basket Securities and ETF Basket Securities (as the case may be), the Determination Agent shall determine, in its reasonable discretion, its good faith estimate of the value for such Share or ETF Interest (as the case may be) as of the Determination Time on such Averaging Cut-Off Date.

(v) If any Averaging Dates in relation to a Reference Date occur after that Reference Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Exercise Date or, as the case may be, the relevant Physical Settlement Date or (ii) the occurrence of an Extraordinary Event, an Extraordinary ETF Event, an Index Adjustment Event, a Potential Adjustment Event or an Additional Disruption Event shall be determined by reference to the last such Averaging Date as though it were that Reference Date.

9.2 ***Adjustments to Indices***

This Condition 9.2 (*Adjustments to Indices*) is applicable only in relation to Warrants or Certificates specified in the applicable Pricing Supplement as being Single Index Securities or Index Basket Securities.

(a) *Successor Index*: If a relevant Index is (i) not calculated and announced by the Index Sponsor, but is calculated and announced by a successor sponsor acceptable to the Determination Agent in its reasonable discretion or (ii) replaced by a Successor Index using, in the determination of the Determination Agent (such determination to be at the Determination Agent's reasonable discretion), the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

(b) *Index Cancellation or Administrator/Benchmark Event Date*:

If on or prior to any Valuation Date or Averaging Date either (1) the Index Sponsor permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**") or (2) the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occurs in respect of such Index, then:

(i) If the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and if an Alternative Pre-nominated Index has been specified in relation to such Index in the applicable Pricing Supplement, then:

(A) the Determination Agent shall attempt to determine an Adjustment Payment;

(B) if the Determination Agent determines an Adjustment Payment,

(aa) it shall notify the Issuer of the Adjustment Payment and if the Adjustment Payment is an amount that the Securityholder would (but for Condition 9.2(b)(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Note, request the Issuer to notify the Determination Agent whether it intends to terminate the Warrants or Certificates pursuant to Condition 9.2(d) (*Termination for Index Adjustment Event*). If the Issuer does not intend to terminate the Warrants or Certificates pursuant to Condition 9.2(d) (*Termination for Index Adjustment Event*) then the following provisions of this Condition 9.2(b)(i) (*Index Cancellation or Administrator/Benchmark Event Date*) shall apply;

(bb) the terms of the Warrants or Certificates shall be amended so that references to the Index are replaced by references to the Alternative Pre-nominated Index;

(cc) the Conditions shall be adjusted to implement the Adjustment Payment as follows:

(a) if the Adjustment Payment is an amount that the Issuer is required to pay in respect of each Security, the Determination Agent shall adjust the Conditions to provide for the payment of the Adjustment Payment on the date when the Warrants or Certificates are settled in full; or

(b) if the Adjustment Payment is an amount that the Securityholder would (but for this Condition 9.2(b)(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Security, the Determination Agent shall adjust the Conditions to provide for the reduction of the amounts due by the Issuer until the aggregate amount of such reductions is equal to the Adjustment Payment, (subject, in the determination of the Determination Agent, to any minimum settlement amount of the Warrants or Certificates which the Determination Agent determines is required pursuant to any applicable law or regulation (including, without limitation, any tax law) and the rules of each listing authority, stock exchange and/or quotation system by which the Warrants or

Certificates have then been admitted to listing, trading and/or quotation);

(dd) the Determination Agent shall make such other adjustments to the Conditions as it determines necessary or appropriate in order to account for the effect of the replacement of the Index with the Alternative Pre-nominated Index and/or to preserve as nearly as practicable the economic equivalence of the Warrants or Certificates before and after the replacement of the Index with the Alternative Pre-nominated Index; and

(ee) the Determination Agent shall notify the Issuer, the Principal Securities Agent and the Securityholders of any replacement of the Index by the Alternative Pre-nominated Index, the Adjustment Payment and any other adjustments to the Conditions, giving summary details of the adjustment(s), provided that any failure to give such notice shall not affect the validity of the foregoing.

(C) If the Determination Agent is unable to determine an Adjustment Payment, then Condition 9.2(d) (*Termination for Index Adjustment Event*) shall apply.

(ii) If the applicable Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable or, if the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Index in relation to the Relevant Equity Index Benchmark, then Condition 9.2(d) (*Termination for Index Adjustment Event*) shall apply.

(c) *Index Modification and Index Disruption*:

If (i) on or prior to any Valuation Date or Averaging Date, a relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituents and capitalisation and other routine events) (an "**Index Modification**") or (ii) on any Valuation Date or Averaging Date, the Index Sponsor fails to calculate and announce a relevant Index (provided that the Determination Agent may, in its reasonable discretion, determine that, in respect of a Multi-Exchange Index or a Proprietary Index, such failure to calculate and announce such Index shall instead be a Disrupted Day in respect of such Index) (an "**Index Disruption**") then the Determination Agent shall determine if such Index Modification or Index Disruption has a material effect on the Warrants or Certificates and, if so, subject to Condition 9.2(d) (*Termination for Index Adjustment Event*), shall calculate in its reasonable discretion the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at that Valuation Date or, as the case may be, that Averaging Date as determined by the Determination Agent in its reasonable discretion in accordance with the formula for and method of calculating that Index last in effect prior to that change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event.

(d) *Termination for Index Adjustment Event*:

If:

(i) an Index Cancellation occurs and the Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable;

(ii) an Index Cancellation or an Administrator/Benchmark Event Date occurs, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Index;

(iii) an Index Cancellation or an Administrator/Benchmark Event Date occurs, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Index but the Determination Agent is unable to determine the Adjustment Payment;

(iv) an Index Cancellation or an Administrator/Benchmark Event Date occurs, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Index and the Determination Agent determines that the Adjustment Payment would be an amount that the Securityholder would (but for Condition 9.2(b)(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Security; or

(v) an Index Modification or an Index Disruption occurs and it (a) would be unlawful at any time under any applicable law or regulation or (b) would contravene any applicable licensing requirements, in each case for the Determination Agent to calculate the relevant Settlement Price in accordance with Condition 9.2(c) (*Index Modification and Index Disruption*),

then the Issuer may, at any time thereafter and in its reasonable discretion, determine that the Warrants or Certificates shall be terminated as of any later date. If the Issuer so determines that the Warrants or Certificates shall be terminated, then the Warrants and Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive the Shares or ETF Interests or payment of the Cash Settlement Amount pursuant to such exercise shall cease) as of such later date and the Issuer will pay an amount in respect of each Warrant or Certificate which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

The Issuer's obligations under the relevant Warrants or Certificates shall be satisfied in full upon payment of such amount.

If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the exercise, settlement or payment terms of the relevant Warrants or Certificates and/or any other adjustment, which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Principal Securities Agent shall provide notice to the Securityholders of any such change or adjustment in accordance with Condition 27.8 (*Notices*), giving summary details of the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

(e) *Correction of Index Levels*: If the level of an Index published by the Index Sponsor and which is utilised by the Determination Agent for any calculation or determination (the "**Original Determination**") under the Securities is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index Sponsor by such time as may be specified in the applicable Pricing Supplement (or, if none is so specified, within one Settlement Cycle after the original publication and prior to the Maturity Date), then the Determination Agent will notify the Issuer and the Principal Securities Agent of the Corrected Value as soon as reasonably practicable and shall determine the relevant value (the "**Replacement Determination**") using the Corrected Value. If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it determines to be necessary and practicable, the Determination Agent may adjust any relevant terms accordingly.

(f) *Additional Disruption Events*: If Additional Disruption Events are specified as applicable in the applicable Pricing Supplement, then, if an Additional Disruption Event occurs in respect of an Index or Indices:

(i) the Determination Agent will determine, in its reasonable discretion the appropriate adjustment, if any, to be made to any one or more of the Conditions relating to the calculation of Cash Settlement Amount and/or any other amounts applicable to the Securities set out in the applicable Pricing Supplement and/or remove and/or substitute the affected Index, to account for the Additional Disruption Event and determine the effective date of that adjustment; or

(ii) by giving notice to Securityholders in accordance with Condition 27 (*Notices*), the Issuer, in its reasonable discretion, may redeem all, but not some only, of the Securities, each Security being redeemed at the Early Settlement Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Securityholders in accordance with Condition 27 (*Notices*) stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action to be taken.

(g) *Notice*: Upon the occurrence of an Index Adjustment Event, the Determination Agent shall give notice as soon as practicable to the Securityholders in accordance with Condition 27 (*Notices*) giving details of the action proposed to be taken in relation thereto.

9.3 ***Adjustments affecting Shares and ETF Interests***

This Condition 9.3 (*Adjustments affecting Shares and ETF Interests*) is applicable only in relation to Single Share Securities, Single ETF Securities, Share Basket Securities and ETF Basket Securities.

(a) *Adjustments for Potential Adjustment Events*: Following the declaration by the Share Issuer, the relevant ETF or an ETF Service Provider of the terms of a Potential Adjustment Event, the Determination Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares or ETF Interests and, if so, will (i) make such adjustment as it in its reasonable discretion considers appropriate, if any, to the Strike Price, to the formula for the Cash Settlement Amount and/or the Settlement Price set out in the applicable Pricing Supplement, the number of Shares or ETF Interests to which each Warrant or Certificate relates, the number of Shares or ETF Interests comprised in a Basket of Shares or Basket of ETF Interests, the amount, the number of or type of shares, fund interests or other securities which may be delivered in respect of such Warrants or Certificates and/or any other adjustment and, in any case, any other variable relevant to the exercise, settlement, payment or other terms of the relevant Warrants or Certificates as the Determination Agent determines, in its reasonable discretion, to be appropriate to account for that diluting or concentrative effect and (ii) determine, in its reasonable discretion, the effective date(s) of such adjustment(s). The Determination Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange or futures exchange to options or futures on the relevant Shares or ETF Interests, as the case may be, traded on such options exchange or futures exchange. The Principal Securities Agent shall provide notice to the Securityholders of any such change or adjustment in accordance with Condition 27.8 (*Notices*), giving summary details of the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

(b) *Correction of Share and ETF Interest Prices*: If any price published on the Exchange and which is utilised by the Determination Agent for any calculation or determination (the "**Original Determination**") under the Warrants or Certificates is subsequently corrected and the correction (the "**Corrected Value**") is published by the Exchange by such time as may be specified in the applicable Pricing Supplement (or, if none is so specified, within one Settlement Cycle after the original publication and prior to the Expiration Date), then the Determination Agent will notify the Issuer and the Principal Securities Agent of the Corrected Value as soon as reasonably practicable and shall determine the relevant value (the "**Replacement Determination**") using the Corrected Value. If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it determines to be necessary and practicable, the Determination Agent may adjust any relevant terms accordingly. The Principal Securities Agent shall provide notice to the Securityholders of any such change or adjustment in accordance with Condition 27.8 (*Notices*), giving summary details of the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment

9.4 ***Extraordinary Events***

This Condition 9.4 (*Extraordinary Events*) is applicable only in relation to Warrants or Certificates specified in the applicable Pricing Supplement as being Single Share Securities, Single ETF Securities, Share Basket Securities or ETF Basket Securities.

(a) *Merger Event or Tender Offer*:

(i) Following the occurrence of any Merger Event or Tender Offer, the Issuer will, in its reasonable discretion, determine whether the relevant Warrants or Certificates shall continue or shall be redeemed early.

(ii) If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may:

(A) substitute any Affected Share/ETF Interest with the Successor Share/ETF Interest relating to such Affected Share/ETF Interest, provided that if no Successor Share/ETF Interest has been identified within 10 Business Days of the Extraordinary Event Notice Date (as defined below), then sub-paragraph (B) below shall apply; and/or

(B) make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the Strike Price, to the formula for the Cash Settlement Amount and/or the Settlement Price set out in the applicable Pricing Supplement, the number of Shares or ETF Interests to which each Warrant or Certificate relates, the number of Shares or ETF Interests comprised in a Basket of Shares or a Basket of ETF Interests (as the case may be), the amount, the number of or type of shares or other securities which may be delivered under such Warrants or Certificates and, in any case, any other variable relevant to the exercise, settlement, or payment terms of the relevant Warrants or Certificates and/or any other adjustment (including, without limitation, in relation to Share Basket Warrants or Certificates or ETF Basket Warrants or Certificates, the cancellation of terms applicable in respect of the Shares or ETF Interests affected by the relevant Merger Event or Tender Offer), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event or Tender Offer by an options exchange or futures exchange to options or futures on the relevant Shares or ETF Interests, as the case may be, traded on such options exchange or futures exchange, which adjustment shall be effective on such date as the Determination Agent shall determine.

The Principal Securities Agent shall provide notice to the Securityholders of (a) any Successor Share/ETF Interest identified in accordance with sub-paragraph (A) above and (b) any change or adjustment made in accordance with sub-paragraph (B) above, in each case in accordance with Condition 27.8 (Notices), giving summary details of the relevant change or adjustment, if applicable, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

(iii) If the Issuer determines that the relevant Warrants or Certificates shall be terminated then the relevant Warrants or Certificates shall cease to be exercisable as of the Merger Date (in the case of a Merger Event) or Tender Offer Date (in the case of a Tender Offer) (or, in the case of any Warrants or Certificates which have been exercised but remain unsettled, the entitlements of the respective exercising Securityholders to receive Underlying Securities or the Cash Settlement Amount, as the case may be, pursuant to such exercise shall cease) and the Issuer's obligations under the Warrants or Certificates shall be satisfied in full upon payment of an amount in respect of each Warrant or Certificate equal to the Early Settlement Amount.

(iv) The Issuer shall as soon as reasonably practicable under the circumstances notify the Principal Securities Agent of the Determination Agent's determination of the occurrence of an Extraordinary Event that is a Merger Event or Tender Offer (the date of such notice, the "**Extraordinary Event Notice Date**").

(v) For the purposes hereof:

"**Affected Share/ETF Interest**" means, at any time, any Share or ETF Interest, as applicable, in respect of which the Determination Agent has determined that a Merger Event or Tender Offer has occurred.

"**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Determination Agent in its reasonable discretion;

"**Merger Event**" means, in respect of any relevant Shares or ETF Interests, as determined by the Determination Agent, acting in a commercially reasonable manner, any: (i) reclassification or change of such Shares or ETF Interests that results in a transfer of or an irrevocable commitment to transfer all of such Shares or ETF Interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or ETF with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer or ETF is the continuing entity and which does not result in a reclassification or change of all such Shares or ETF Interests outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares or ETF Interests of the Share Issuer or ETF that results in a transfer of or an irrevocable commitment to transfer all such Shares or ETF Interests (other than such Shares or ETF Interests owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries or ETF or its sub funds with or into another entity in which the Share Issuer or ETF is the continuing entity and which does not result in a reclassification or change of all such Shares or ETF Interests outstanding but results in the outstanding Shares or ETF Interests (other than Shares or ETF Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares or ETF Interests immediately following such event (a "**Reverse Merger**"), in each case if the Merger Date is on or before, (A) in respect of Physical Settlement Securities, the later to occur of the Exercise Date and the Physical Settlement Date or, (B) in any other case, the final Reference Date.

"**Successor Share/ETF Interest**" means, in respect of an Affected Share/ETF Interest, (1) if specified in the applicable Pricing Supplement, any Eligible Share or Eligible ETF Interest, as applicable; (2) if no Eligible Share or Eligible ETF Interest, as applicable, is specified, the successor Share or ETF Interest, as applicable, as determined by the Determination Agent, using commercially reasonable efforts, taking into account any factors which the Determination Agent determines to be relevant, including (but not limited to) the existence of any other Share or ETF Interest, as applicable, that is linked to or is a constituent of the same underlying index or asset as the Affected Share/ETF Interest, liquidity of the proposed successor Share or ETF Interest, as applicable, the prevailing market conditions at the time the Determination Agent makes its determination, the circumstances of the relevant Extraordinary Event, and the Issuer's hedging arrangements in respect of the relevant Warrants or Certificates; or (3) if the Determination Agent determines that it is unable to determine a suitable successor Share or ETF Interest, as applicable, the Determination Agent may determine that, where the Affected Share/ETF Interest is linked to the relevant underlying index (the "**Related Underlying Index**"), such Related Underlying Index (to the extent relevant) shall be the Successor Share/ETF Interest and the provisions applicable to Single Index Securities or Index Basket Securities (as the case may be) will apply to the relevant Warrants or Certificates with such adjustments as the Determination Agent determines to be appropriate.

"**Tender Offer**" means, in respect of any Shares or ETF Interests, as determined by the Determination Agent, acting in a commercially reasonable manner, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Share Issuer or ETF, as determined by the Determination Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Determination Agent deems relevant.

"**Tender Offer Date**" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained, as determined by the Determination Agent in its reasonable discretion.

(b) Nationalisation, Insolvency and Delisting:

(i) If in the determination of the Determination Agent, acting in a commercially reasonable manner:

(A) all the Shares or ETF Interests or all or substantially all the assets of a Share Issuer, ETF or ETF Service Provider are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof ("**Nationalisation**"); or

(B) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding up of, or any analogous proceeding affecting, a Share Issuer, ETF or ETF Service Provider, (1) all the Shares or ETF Interests of that Share Issuer, ETF or ETF Service Provider are required to be transferred to a trustee, liquidator or other similar official or (2) holders of the Shares or ETF Interests of that Share Issuer, ETF or ETF Service provider become legally prohibited from transferring them ("**Insolvency**"); or

(C) the Exchange announces that pursuant to the rules of such Exchange, the Shares or ETF Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re listed, re traded or re quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any Member State of the European Union) ("**Delisting**"),

then the Issuer will, in its reasonable discretion, determine whether or not the Warrants or Certificates shall continue.

(ii) If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may:

(A) substitute any Affected Share/ETF Interest with the Successor Share/ETF Interest relating to such Affected Share/ETF Interest, provided that if no Successor Share/ETF Interest has been identified within 10 Business Days of the Extraordinary Event Notice Date, then sub-paragraph (B) below shall apply; and/or

(B) make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the Strike Price to the formula for the Cash Settlement Amount and/or the Settlement Price set out in the applicable Pricing Supplement, the number of Shares or ETF Interests to which each Warrant or Certificate relates, the number of Shares or ETF Interests comprised in a Basket of Shares or a Basket of ETF Interests (as the case may be), the amount, the number of or type of shares or other securities which may be delivered under such Warrants or Certificates and, in any case, any other variable relevant to the settlement or payment terms of the relevant Warrants or Certificates and/or any other adjustment (including without limitation, in relation to Share Basket Securities or ETF Securities, the removal from the Basket of Shares or Basket of ETF Interests of the Shares or ETF Interests affected by the relevant Nationalisation, Insolvency or Delisting with effect from the day selected by the Determination Agent, and the adjustment of the such terms of the Warrants or Certificates as the Determination Agent considers to be appropriate as a result of such removal), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Nationalisation, Insolvency or Delisting by an options exchange or futures exchange to options or futures on the relevant Shares or ETF Interests, as the case may be, traded on such options exchange or

futures exchange, which change or adjustment shall be effective on such date as the Determination Agent shall determine.

The Principal Securities Agent shall provide notice to the Securityholders of (a) any Successor Share/ETF Interest identified in accordance with sub-paragraph (A) above and (b) any adjustment made in accordance with sub-paragraph (B) above, in each case in accordance with Condition 27.8 (Notices), giving summary details of the adjustment, if applicable, provided that any failure to give such notice shall not affect the validity of any such adjustment.

(iii) The Issuer shall as soon as reasonably practicable under the circumstances notify the Principal Securities Agent of the Determination Agent's determination of the occurrence of an Extraordinary Event.

(iv) If the Issuer determines that the relevant Warrants or Certificates shall be terminated, then the Warrants or Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive the Shares or ETF Interests or the payment of the Cash Settlement Amount pursuant to such exercise shall cease) as of such later date and the Issuer will pay an amount in respect of each Warrant or Certificate which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

(v) For the purposes hereof:

"**Affected Share/ETF Interest**" means, at any time, any Share or ETF Interest, as applicable, in respect of which the Determination Agent has determined that a Nationalisation, Insolvency or Delisting has occurred.

"**Successor Share/ETF Interest**" has the meaning given to it in Condition 9.4(a)(v).

9.5 ***Extraordinary ETF Events***

This Condition 9.5 (*Extraordinary ETF Events*) is applicable only in relation to Single ETF Securities or ETF Basket Securities.

(a) Following the occurrence of any Extraordinary ETF Event, the Issuer will, in its reasonable discretion, determine whether the relevant Warrants or Certificates shall continue or shall be redeemed early. The Determination Agent shall not have any obligation to monitor the occurrence of an Extraordinary ETF Event nor shall it have any obligation to make a determination that an Extraordinary ETF Event has occurred and is continuing.

(b) If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may:

(i) substitute any Affected ETF Interest with the Successor ETF Interest relating to such Affected ETF interest, provided that if no Successor ETF Interest has been identified in the manner set forth below within 10 Business Days of the Extraordinary ETF Event Notice Date (as defined below), then sub-paragraph (ii) below shall apply; and/or

(ii) make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the Strike Price to the formula for the Cash Settlement Amount and/or the Settlement Price set out in the applicable Pricing Supplement, the number of ETF Interests to which each Warrant or Certificate relates, the number of ETF Interests comprised in a Basket of ETF Interests, the amount, the number of or type of shares or other securities which may be delivered under such Warrants or Certificates and, in any case, any other variable relevant to the exercise, settlement, or payment terms of the relevant Warrants or Certificates and/or any other adjustment (including, without limitation, in relation to ETF Basket Securities, the cancellation of terms applicable in respect of ETF Interests affected by the relevant Extraordinary ETF Event) (including, without limitation, in relation to ETF Basket Securities, the removal from the Basket of

ETF Interests of ETF Interests affected by the relevant Extraordinary ETF Event with effect from the day selected by the Determination Agent) to account for the economic effect on the Warrants or Certificates of such Extraordinary ETF Event, which may, but need not, be determined by reference to the adjustments(s) made in respect of such Extraordinary ETF Event by an options exchange or futures exchange to options or futures on the relevant ETF Interest traded on such options exchange or futures exchange, which adjustment shall be effective on such date as the Determination Agent shall determine.

The Principal Securities Agent shall provide notice to the Securityholders of (a) any Successor ETF Interest identified in accordance with sub-paragraph (i) above, as soon as reasonably practicable after the date on which such Successor ETF Interest is identified, if applicable, and (b) any adjustment made in accordance with sub-paragraph (ii) above, in each case in accordance with Condition 27.8 (Notices), giving summary details of the adjustment, if applicable, provided that any failure to give such notice shall not affect the validity of any such adjustment.

(c) If the Issuer determines that the relevant Warrants or Certificates shall be terminated, then the Warrants or Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive the ETF Interests or the payment of the Cash Settlement Amount pursuant to such exercise shall cease) as of such later date and the Issuer will pay an amount in respect of each Warrant or Certificate which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Principal Securities Agent of the Determination Agent's determination of the occurrence of an Extraordinary ETF Event (the date of such notice, the "**Extraordinary ETF Event Notice Date**").

(e) For the purposes hereof:

"**Extraordinary ETF Event**" shall mean, with respect to an ETF or ETF Service Provider (as the case may be), the occurrence of any of the following events, as determined by the Determination Agent, in its reasonable discretion:

(i) there exists any litigation against the ETF or an ETF Service Provider which in the reasonable discretion of the Determination Agent could materially affect the value of the ETF Interests or on the rights or remedies of any investor therein;

(ii) (A) an allegation of criminal or fraudulent activity is made in respect of the ETF, or any ETF Service Provider, or any employee of any such entity, or the Determination Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (B) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the ETF, any ETF Service Provider or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the reasonable discretion of the Determination Agent, materially affect the value of the ETF Interests or the rights or remedies of any investor in such ETF Interests;

(iii) (A) an ETF Service Provider ceases to act in such capacity in relation to the ETF (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a successor acceptable to the Determination Agent; and/or (B) any event occurs which causes, or will with the passage of time (in the opinion of the Determination Agent) cause, the failure of the ETF and/or any ETF Service Provider to meet or maintain any obligation or undertaking under the ETF Documents which failure is reasonably likely to have an adverse impact on the value of the ETF Interests or on the rights or remedies of any investor therein;

(iv) a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the ETF (howsoever described, including the underlying type of assets in which the ETF invests), from those set out in the ETF Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;

(v) a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (A) in which the ETF invests, (B) the ETF purports to track, or (C) the ETF accepts/provides for purposes of creation/redemption baskets;

(vi) a material modification occurs, or any announcement regarding a potential future material modification is made, in respect of the ETF (including but not limited to a material modification of the ETF Documents or to the ETF's liquidity terms) other than a modification or event which does not affect the ETF Interests or the ETF or any portfolio of assets to which the ETF Interest relates (either alone or in common with other ETF Interests issued by the ETF);

(vii) the ETF ceases to be an undertaking for collective investment under the legislation of its relevant jurisdiction, provided that on the relevant Issue Date, the ETF was such an undertaking, and any such cessation would, in the reasonable discretion of the Determination Agent have a material adverse effect on any investor in such ETF Interests;

(viii) (A) any relevant activities of or in relation to the ETF or any ETF Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the ETF by any governmental, legal or regulatory entity with authority over the ETF), (B) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the ETF or the ETF Service Provider or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (C) the ETF is required by a competent authority to redeem any ETF Interests, (D) any hedge provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any ETF Interests held in connection with any hedging arrangements relating to the Warrants or Certificates and/or (E) any change in the legal, tax, accounting or regulatory treatment of the ETF or any ETF Service Provider that is reasonably likely to have an adverse impact on the value of the ETF Interests or other activities or undertakings of the ETF or on the rights or remedies of any investor therein;

(ix) the value of any ETF Interest held by the Issuer and its Affiliates is greater than 10 per cent. of the aggregate net asset value of the relevant ETF (whether or not all of such holding results from hedging transactions entered into in connection with the Warrants or Certificates) and including, where the excess holding results from a reduction in the aggregate net asset value of the relevant ETF; or

(x) any event specified as an Additional Extraordinary ETF Event in respect of the Warrants or Certificates in the applicable Pricing Supplement occurs; and

"**Successor ETF Interest**" means, in respect of an Affected ETF Interest, (1) if specified in the applicable Pricing Supplement, any Eligible ETF Interest; (2) if no Eligible ETF Interest is specified, the successor ETF Interest as determined by the Determination Agent, using commercially reasonable efforts, taking into account any factors which the Determination Agent determines to be relevant, including (but not limited to) the existence of other ETFs that are linked to the same underlying index or asset as the Affected ETF Interest, liquidity of the proposed successor ETF Interest, the prevailing market conditions at the time the Determination Agent makes its determination and the Issuer's hedging arrangements in respect of the relevant Warrants or Certificates; or (3) if the Determination Agent determines that it is unable to determine a suitable successor ETF Interest, the Determination Agent may determine that the relevant Warrants or Certificates, where the Affected ETF Interest will be linked to the relevant underlying index (the "**Related Underlying Index**") and such Related Underlying Index shall be the Successor ETF Interest and the provisions applicable to Single Index Securities or Index Basket Securities (as the case may be) will apply to the relevant Warrants or Certificates with such adjustments as the Determination Agent determines to be appropriate.

9.6 ***Additional Disruption Events***

(a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Warrants and Certificates (which, if the Additional Disruption Event is a ChiNext Event, shall include only the Ineligible Securities) shall continue or be redeemed early.

(b) If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the Strike Price, to the formula for the Cash Settlement Amount and/or the Settlement Price set out in the applicable Pricing Supplement, the number of Shares or ETF Interests to which each Warrant or Certificate relates, the number of Shares or ETF Interest comprised in a Basket, the amount, the number of or type of shares, fund interests or other securities or assets which may be delivered under such Warrant or Certificate and, in any case, any other variable relevant to the redemption, settlement, or payment terms of the relevant Warrants or Certificates and/or any other adjustment (including without limitation, in relation to Share Basket Securities, Index Basket Securities or ETF Basket Securities, removal of any Shares, Index or ETF Interest, as the case may be, affected by the relevant Additional Disruption Event, and the adjustment of such terms of the Securities as the Determination Agent considers to be appropriate as a result of such removal) which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Principal Securities Agent shall provide notice to the Securityholders of any such adjustment in accordance with Condition 27.8 (Notices), giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

(c) If the Issuer determines that the relevant Warrants or Certificates shall be terminated, then the Warrants or Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive the Shares or ETF Interests or payment of the Cash Settlement Amount, as the case may be, pursuant to such exercise shall cease) as of such later date and the Issuer will pay an amount which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Principal Securities Agent and the Determination Agent of the occurrence of an Additional Disruption Event.

(e) For the purposes hereof:

"**Additional Disruption Event**" means with respect to any Series of Warrants or Certificates (i) each of Change in Law, Hedging Disruption, Increased Cost of Hedging and Loss of Stock Borrow (in each case, unless otherwise specified in the applicable Pricing Supplement), (ii) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, each of China Connect Service Termination and China Connect Share Disqualification (in each case, unless otherwise specified in the applicable Pricing Supplement), (iii) if "(China Connect – ChiNext Shares)" is specified next to the name of the Exchange in the applicable Pricing Supplement, each of China Connect Service Termination, China Connect Share Disqualification and ChiNext Event (in each case, unless otherwise specified in the applicable Pricing Supplement), and (iv) any further event or events as may be specified in the applicable Pricing Supplement as an Additional Disruption Event with respect to such Warrants or Certificates.

9.7 ***Partial Lookthrough Depositary Receipt Provisions***

(a) Where the applicable Pricing Supplement specifies that the "Partial Lookthrough Depositary Receipt Provisions" shall apply to a Share, then the provisions set out in this Condition 9.7 (*Partial Lookthrough Depositary Receipt Provisions*) shall apply, and, in relation to such Share, the other provisions of this Condition 9.7 (*Partial Lookthrough Depositary Receipt Provisions*) shall be deemed to be amended and modified as set out in this Condition 9.7 (*Partial Lookthrough Depositary Receipt Provisions*).

(b) The definition of "Potential Adjustment Event" shall be amended so that it reads as follows:

"**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Shares and/or Underlying Shares (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares and/or Underlying Shares to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of the relevant Shares and/or Underlying Shares specified in the applicable Pricing Supplement of (A) such Shares and/or Underlying Shares, (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of a Share Issuer or Underlying Share Issuer, as appropriate, equally or proportionately with such payments to holders of such Shares and/or Underlying Shares, (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Issuer or Underlying Share Issuer, as appropriate, as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Determination Agent;

(iii) an Extraordinary Dividend;

(iv) a call by a Share Issuer or Underlying Share Issuer, as appropriate, in respect of relevant Shares and/or Underlying Shares that are not fully paid;

(v) a repurchase by a Share Issuer or Underlying Share Issuer, as appropriate, or any of its subsidiaries of relevant Shares and/or Underlying Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of a Share Issuer or Underlying Share Issuer, as appropriate, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer or Underlying Share Issuer, as appropriate, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Determination Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;

(vii) any other event having, in the opinion of the Determination Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Shares and/or Underlying Shares; and

(viii) the making of any amendment or supplement to the terms of the Deposit Agreement,

provided that an event under (i) to (vii) (inclusive) above in respect of Underlying Shares shall not constitute a Potential Adjustment Event unless, in the opinion of the Determination Agent, such event has a diluting or concentrative effect on the theoretical value of the Shares.

(c) *If the Determination Agent determines that*:

(i) an event under (i) to (vii) (inclusive) of the definition of "Potential Adjustment Event" has occurred in respect of any Underlying Shares; or

(ii) an event under (viii) of the definition of "Potential Adjustment Event" has occurred, the Determination Agent will determine whether such Potential Adjustment Event has an economic effect on the Warrants or Certificates,

and, in each case, the Determination Agent will make the corresponding adjustment(s), if any, to one or more of any variable relevant to the exercise, settlement, payment or other terms of these Conditions and/or the applicable Pricing Supplement as the Determination Agent determines appropriate to account for (A) in respect of an event under (i) to (vii) (inclusive) of the definition

of "Potential Adjustment Event", the diluting or concentrative effect on the theoretical value of the Shares, and (B) in respect of an event under (viii) of the definition of "Potential Adjustment Event", such economic effect on the Warrants or Certificates, as the case may be (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share), following the Potential Adjustment Event. The Determination Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement. The Principal Securities Agent shall provide notice to the Securityholders of any such adjustment in accordance with Condition 27.8, giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

If the Determination Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Securityholders that the relevant consequence shall be the early settlement of the Warrants or Certificates, in which case, on such date as selected by the Determination Agent in its reasonable discretion, the Issuer shall settle the Warrants or Certificates upon prior notice made to the Securityholders, and the Issuer will cause to be paid to each Securityholder in respect of each Warrant or Certificate held by it an amount equal to the Early Settlement Amount of such Warrants or Certificates.

(d) The definitions of "Merger Event" and "Tender Offer" shall be amended in accordance with the DR Amendment.

(e) If the Determination Agent determines that a Merger Event or Tender Offer has occurred in respect of any Underlying Share, then, where the Determination Agent makes an adjustment to these Conditions and/or the applicable Pricing Supplement in connection with a Merger Event or Tender Offer, the Determination Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

(f) The definitions of "Nationalisation", "Insolvency" and "Delisting" shall be amended in accordance with the DR Amendment.

(g) Notwithstanding anything to the contrary in the definition of "Delisting", a Delisting shall not occur in respect of any Underlying Share if such Underlying Shares are immediately relisted, re-traded or re-quoted on an exchange or quotation system regardless of the location of such exchange or quotation system.

(h) If the Determination Agent determines that a Nationalisation or Insolvency has occurred in respect of a Share or the Depositary, then, notwithstanding anything to the contrary herein, the Determination Agent may determine that the affected Share be substituted with Replacement DRs and may make any appropriate adjustments to the terms of these Conditions and/or the applicable Pricing Supplement. In such case, the Issuer shall not settle the Warrants or Certificates early and, following such replacement, references to Shares herein shall be replaced by references to such Replacement DRs, and the Determination Agent will determine the effective date of any adjustments.

(i) If the Determination Agent determines that a Delisting of Shares has occurred or if the Depositary announces that the Deposit Agreement is (or will be) terminated, then, notwithstanding anything to the contrary herein, the Determination Agent may determine that the affected Share be substituted with Replacement DRs or the Underlying Shares and may make any appropriate adjustments to the terms of these Conditions and/or the applicable Pricing Supplement. In such case, the Issuer shall not settle the Warrants or Certificates early and, following such replacement, references to Shares herein shall be replaced by references to such Replacement DRs or the Underlying Shares, as applicable, and the Determination Agent will determine the effective date of any adjustments.

(j) The definition of "Insolvency Filing" shall be amended in accordance with the DR Amendment.

(k) The definition of "Change in Law" shall be amended in accordance with the DR Amendment.

For the avoidance of doubt, where a provision is amended pursuant to this Condition 9.7 (*Partial Lookthrough Depositary Receipt Provisions*) in accordance with the DR Amendment, if the event

described in such provision occurs in respect of the Underlying Share or the Underlying Share Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

9.8 ***Full Lookthrough Depositary Receipt Provisions***

(a) Where the applicable Pricing Supplement specifies that the "Full Lookthrough Depositary Receipt Provisions" shall apply to a Share, then the provisions set out in this Condition 9.8 (*Full Lookthrough Depositary Receipt Provisions*) shall apply, and, in relation to such Share, the other provisions of this Condition 9 (*Provisions relating to Equity and Proprietary Index-Linked Securities)* shall be deemed to be amended and modified as set out in this Condition 9.8 (*Full Lookthrough Depositary Receipt Provisions*).

(b) The definition of "Potential Adjustment Event" shall be amended so that it reads as follows:

"**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Shares and/or Underlying Shares (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares and/or Underlying Shares to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of the relevant Shares and/or Underlying Shares specified in the applicable Pricing Supplement of (A) such Shares and/or Underlying Shares, (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of a Share Issuer or Underlying Share Issuer, as appropriate, equally or proportionately with such payments to holders of such Shares and/or Underlying Shares, (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Issuer or Underlying Share Issuer, as appropriate, as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Determination Agent;

(iii) an Extraordinary Dividend;

(iv) a call by a Share Issuer or Underlying Share Issuer, as appropriate, in respect of relevant Shares and/or Underlying Shares that are not fully paid;

(v) a repurchase by a Share Issuer or Underlying Share Issuer, as appropriate, or any of its subsidiaries of relevant Shares and/or Underlying Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of a Share Issuer or Underlying Share Issuer, as appropriate, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer or Underlying Share Issuer, as appropriate, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Determination Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;

(vii) any other event having, in the opinion of the Determination Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Shares and/or Underlying Shares; and

(viii) the making of any amendment or supplement to the terms of the Deposit Agreement, provided that an event under (i) to (vii) (inclusive) above in respect of Underlying Shares shall not constitute a Potential Adjustment Event unless, in the opinion of the Determination Agent, such event has a diluting or concentrative effect on the theoretical value of the Shares.

(c) *If the Determination Agent determines that*:

(i) an event under (i) to (vii) (inclusive) of the definition of "Potential Adjustment Event" has occurred in respect of any Underlying Shares; or

(ii) an event under (viii) of the definition of "Potential Adjustment Event" has occurred, the Determination Agent will determine whether such Potential Adjustment Event has an economic effect on the Warrants or Certificates,

and, in each case, the Determination Agent will make the corresponding adjustment(s), if any, to one or more of any variable relevant to the exercise, settlement, payment or other terms of these Conditions and/or the applicable Pricing Supplement as the Determination Agent determines appropriate to account for (A) in respect of an event under (i) to (vii) (inclusive) of the definition of "Potential Adjustment Event", the diluting or concentrative effect on the theoretical value of the Shares, and (B) in respect of an event under (viii) of the definition of "Potential Adjustment Event", such economic effect on the Warrants or Certificates, as the case may be (provided that no adjustments will be made to account reasonably for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share), following the Potential Adjustment Event. The Determination Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement. The Principal Securities Agent shall provide notice to the Securityholders of any such adjustment in accordance with Condition 27.8, giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment

If the Determination Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Securityholders that the relevant consequence shall be the early settlement of the Warrants or Certificates, in which case, on such date as selected by the Determination Agent in its reasonable discretion, the Issuer shall settle the Warrants or Certificates upon prior notice made to the Securityholders, and the Issuer will cause to be paid to each Securityholder in respect of each Warrant or Certificate held by it an amount equal to the Early Settlement Amount of such Warrants or Certificates.

(d) The definitions of "Merger Event" and "Tender Offer" shall be amended in accordance with the DR Amendment.

(e) If the Determination Agent determines that a Merger Event or Tender Offer has occurred in respect of an Underlying Share, then, where the Determination Agent makes an adjustment to these Conditions and/or the applicable Pricing Supplement in connection with a Merger Event or Tender Offer, the Determination Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

(f) The definitions of "Nationalisation", "Insolvency" and "Delisting" shall be amended in accordance with the DR Amendment.

(g) If the Determination Agent determines that a Nationalisation or Insolvency has occurred in respect of a Share or the Depositary, then, notwithstanding anything to the contrary herein, the Determination Agent may determine that the affected Share be substituted with Replacement DRs and may make any appropriate adjustments to the terms of these Conditions and/or the applicable Pricing Supplement. In such case, the Issuer shall not settle the Warrants or Certificates early and, following such replacement, references to Shares herein shall be replaced by references to such Replacement DRs, and the Determination Agent will determine the effective date of any adjustments.

(h) If the Determination Agent determines that a Delisting of Shares has occurred or if the Depositary announces that the Deposit Agreement is (or will be) terminated, then, notwithstanding anything to the contrary herein, the Determination Agent may determine that the affected Share be substituted with Replacement DRs or the Underlying Shares and may make any appropriate adjustments to the terms of these Conditions and/or the applicable Pricing Supplement. In such case, the Issuer shall not settle the Warrants or Certificates early and, following such replacement, references to Shares herein shall be replaced by references to such Replacement DRs or the

Underlying Shares, as applicable, and the Determination Agent will determine the effective date of any adjustments.

(i) The definition of any Additional Disruption Event specified as applicable in the applicable Pricing Supplement shall be amended in accordance with the DR Amendment.

(j) The definitions of "Exchange Business Day", "Scheduled Closing Time", "Scheduled Trading Day", "Trading Disruption", "Exchange Disruption", "Early Closure" and "Disrupted Day" which relate to the Exchange shall be deemed to include a reference to the primary exchange on which the Underlying Shares are traded, as determined by the Determination Agent.

(k) The definitions of "Exchange Disruption", "Market Disruption Event" and "Trading Disruption" shall be amended in accordance with the DR Amendment.

9.9 **For the avoidance of doubt, where a provision is amended pursuant to this Condition 9.9 (*Provisions relating to Equity and Proprietary Index-Linked Securities*) in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Share or the Underlying Share Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.**

9.10 ***Definitions applicable to Equity and Proprietary Index-Linked Securities***

In relation to Single Share Securities, Share Basket Securities, Single Index Securities, Index Basket Securities, Single ETF Securities and ETF Basket Securities, the following expressions have the meanings set out below:

"**Adjustment Payment**" means, in respect of any Security, the payment (if any) determined by the Determination Agent as is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value to or from the Issuer as a result of the replacement of the Index by the Alternative Pre-nominated Index. The Determination Agent may determine that the Adjustment Payment is zero;

"**Affected ETF Interest**" means, at any time, any ETF Interest in respect of which the Determination Agent has determined that an Extraordinary ETF Event has occurred;

"**Averaging Cut-Off Date**" means, in the case where Certificates or Warrants relate to an Index, Share or ETF Interest or a Basket of Indices, Basket of Shares or Basket of ETF Interests and in respect of a Scheduled Averaging Date for the purposes of Condition 9.1(c) (*Reference Dates, Averaging Dates and Market Disruption*):

(a) if "Common Scheduled Trading Days and Common Disrupted Days" in respect of a Basket of Indices, Basket of Shares or Basket of ETF Interests is specified to be applicable in the Pricing Supplement, the eighth Common Scheduled Trading Day following such Scheduled Averaging Date; or

(b) in any other case, the eighth Scheduled Trading Day following such Scheduled Averaging Date;

"**Averaging Date**" means, in respect of each Reference Date, either:

(a) in the case of (i) a Single Index Security, a Single Share Security or a Single ETF Security (as the case may be); or (ii) an Index Basket Security, a Share Basket Security or an ETF Basket Security (as the case may be) where the applicable Pricing Supplement provides that "Individual Scheduled Trading Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Pricing Supplement, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day for such (or the relevant) Index, Share or ETF Interest or Basket Component (as the case may be); or

(b) in the case of an Index Basket Security, a Share Basket Security or an ETF Basket Security, where the applicable Pricing Supplement provides that either "Common

Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Pricing Supplement, or if any such date is not a Common Scheduled Trading Day, the next following Common Scheduled Trading Day for such Basket of Indices, Basket of Shares or Basket of ETF Interests (as the case may be),

provided that if any such day is a Disrupted Day, the Averaging Date shall be determined in accordance with the provisions of Condition 9.1 (*References Dates, Averaging Dates and Market Disruption*);

"**Basket**" means in relation to any Share Basket Securities, the Shares specified in the applicable Pricing Supplement as comprising the Basket, in relation to Index Basket Securities, the Indices specified in the applicable Pricing Supplement as comprising the Basket and in relation to any ETF Basket Securities, the ETF Interests specified in the applicable Pricing Supplement as comprising the Basket, in each case in the relative proportions specified in such Pricing Supplement;

"**Basket Component**" means, in relation to a particular Series of Index Basket Securities, Share Basket Securities or ETF Basket Securities (as applicable), each Index, Share or ETF Interest (as applicable) comprised in the relevant Basket of Indices, Basket of Shares or Basket of ETF Interests (as applicable);

"**Basket of ETF Interests**" means, in relation to a particular Series, a basket comprising the ETF Interests specified in the applicable Pricing Supplement in the relative proportions or number of ETF Interests specified in such Pricing Supplement;

"**Basket of Indices**" means, in relation to a particular Series, a basket comprising the Indices specified in the applicable Pricing Supplement in the relative proportions specified in such Pricing Supplement;

"**Basket of Shares**" means, in relation to a particular Series, a basket comprising Shares of each Share Issuer specified in the applicable Pricing Supplement in the relative proportions or number of Shares of each Share Issuer specified in such Pricing Supplement;

"**Change in Law**" means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x), in the case of Single Share Warrants or Certificates, Single Index Warrants or Certificates, Single ETF Warrants or Certificates, Share Basket Securities, Index Basket Securities, or ETF Basket Securities, it has become illegal to hold, acquire or dispose of any relevant Shares or ETF Interests or of any financial instrument or contract providing exposure to the Shares or ETF Interests or Index or Indices (as the case may be), or (y) it will incur a materially increased cost in performing its obligations with respect to the Warrants or Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**China Connect**" means a securities trading and clearing links programme developed or to be developed by the SEHK, each relevant China Connect Market, HKSCC and CSDCC for the establishment of mutual market access between the SEHK and the relevant China Connect Market;

"**China Connect Business Day**" means any Scheduled Trading Day on which the China Connect Service is open for order-routing during its regular order-routing sessions, notwithstanding the China Connect Service closing prior to its Scheduled Closing Time;

"**China Connect Disruption**" means (a) any suspension of or limitation imposed on routing of orders (including in respect of buy orders only, sell orders only or both buy and sell orders) through the China Connect Service, relating to the Shares on the Exchange or (b) any event (other than a China Connect Early Closure) that disrupts or impairs (as determined by the Determination Agent) the ability of the market participants in general to enter orders in respect of Shares through the China Connect Service;

"**China Connect Early Closure**" means the closure on any China Connect Business Day of the China Connect Service prior to its Scheduled Closing Time unless such earlier closing time is announced by SEHK or the Exchange, as the case may be, at least one hour prior to the earlier of (a) the actual closing time for order-routing through the China Connect Service on such China Connect Business Day and (b) the submission deadline for orders to be entered into the China Connect Service system for execution on the Exchange at the Determination Time on such China Connect Business Day;

"**China Connect Market**" means the Shanghai Stock Exchange or the Shenzhen Stock Exchange, as the case may be;

"**China Connect Securities**" means any securities listed on a China Connect Market which may be eligible for trading by Hong Kong and overseas investors on China Connect;

"**China Connect Service**" means the securities trading and clearing links programme developed by the Exchange, SEHK, CSDCC and HKSCC, through which (i) SEHK and/or its affiliates provides order-routing and other related services for certain eligible securities traded on the Exchange and (ii) CSDCC and HKSCC provides clearing, settlement, depository and other services in relation to such securities;

"**China Connect Service Termination**" means, on or after the Trade Date, the announcement by one or more of the Exchange, SEHK, the CSDCC, HKSCC or any regulatory authority with competent jurisdiction of a suspension or termination of the China Connect Service or a part thereof for any reason which materially affects the routing of orders in respect of, or holding of, the Shares through the China Connect Service and the Determination Agent determines that there is a reasonable likelihood that such suspension or termination is not, or will not be, temporary;

"**China Connect Share Disqualification**" means, on or after the Trade Date, the Shares cease to be accepted as "China Connect Securities" (as defined in the rules of the exchange of SEHK) for the purpose of the China Connect Service as determined by the Determination Agent;

"**ChiNext Event**" means, on or after the Trade Date, the owner or the beneficial owner of the Warrants or Certificates is not or ceases to be an Eligible Investor (and such owner or beneficial owner, an "**Ineligible Securityholder**" and such Warrants or Certificates owned or beneficially owned by the Ineligible Securityholder, the "**Ineligible Securities**");

"**ChiNext Shares**" means securities listed and traded on the ChiNext Board of the Shenzhen Stock Exchange which may be traded by Hong Kong and overseas investors under the China Connect Service;

"**Common Scheduled Trading Day**" means, in respect of an Index Basket Security, a Share Basket Security or an ETF Basket Security (as the case may be), each day which is a Scheduled Trading Day for all the Basket Components;

"**Common Valid Date**" means, in respect of an Index Basket Security, a Share Basket Security or an ETF Basket Security (as the case may be), a Common Scheduled Trading Day that is not a Disrupted Day for any Basket Component and on which another Averaging Date does not or is deemed not to occur;

"**Components**" means in relation to an Index, the securities which comprise such Index (each a "**Component**" for such Index);

"**CSDCC**" means China Securities Depository and Clearing Corporation Limited;

"**Deposit Agreement**" means, in relation to the Shares, the agreements or other instruments constituting the Shares, as from time to time amended or supplemented in accordance with their terms;

"**Depositary**" means, where the applicable Pricing Supplement specifies that either the "Partial Lookthrough Depositary Receipt Provisions" or the "Full Lookthrough Depositary Receipt

Provisions" shall apply to a Share, the issuer of the Shares or any successor issuer of the Shares from time to time;

"**Determination Date**" means, in relation to any determination, each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Determination Date shall be determined in accordance with the provisions of Condition 9.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Determination Time**" means the time specified as such in the applicable Pricing Supplement, or if no such time is specified, (a) save with respect to a Multi-Exchange Index or a Proprietary Index, the Scheduled Closing Time on the relevant Exchange in relation to each Index, Share or ETF Interest to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Determination Time is after the actual closing time for its regular trading session, then the Determination Time shall be such actual closing time; (b) with respect to any Multi-Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component and (y) in respect of any option contracts or futures contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor and (c) with respect to a Proprietary Index, the time at which or in respect of which the Index Sponsor calculates and publishes the official level of the Index;

"**Disrupted Day**" means (a) except with respect to a Multi-Exchange Index or a Proprietary Index, any Scheduled Trading Day on which (i) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session, or if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, the China Connect Service fails to open for order-routing during its regular order-routing session, or (ii) a Market Disruption Event has occurred; (b) with respect to any Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its reasonable discretion, determine that such failure to publish shall instead be an Index Disruption for such Index), (ii) the Related Exchange fails to open for trading during its regular trading session, or if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, the China Connect Service fails to open for order-routing during its regular order-routing session, or (iii) a Market Disruption Event has occurred; and (c) with respect to a Proprietary Index, any Scheduled Trading Day on which (i) a Market Disruption Event has occurred (provided that the Determination Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), or (ii) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, the China Connect Service fails to open for order-routing during its regular order-routing session;

"**DR Amendment**" means, in respect of the definitions of Merger Event, Tender Offer, Nationalisation, Insolvency, Delisting, Insolvency Filing, Change in Law, any other Additional Disruption Event specified as applicable in the applicable Pricing Supplement, Exchange Disruption, Market Disruption Event and Trading Disruption, that the following changes shall be made to such definition or provision where provided for in this Condition 9 (*Provisions relating to Equity and Proprietary Index-Linked Securities*):

(i) all references to "Shares" shall be deleted and replaced with the words "Shares and/or the Underlying Shares"; and

(ii) all references to "Share Issuer" shall be deleted and replaced with the words "Share Issuer or Underlying Share Issuer, as appropriate";

"**Early Closure**" means (a) except with respect to a Multi-Exchange Index, the closure on any Exchange Business Day of the relevant Exchange (or in the case of a Single Index Security or Index Basket Security, any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission

deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Determination Time on such Exchange Business Day and (b) with respect to any Multi-Exchange Index, the closure on any Exchange Business Day of the Exchange in respect of any Component or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the relevant Determination Time on such Exchange Business Day;

"**Eligible ETF Interest**" means, in respect of any Affected ETF Interest or any Affected Share/ETF Interest, the interest specified as such in the applicable Pricing Supplement;

"**Eligible Investor**" means a "professional investor" within the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) or other types of investors that are permitted or approved by the Exchange, SEHK, CSDCC and/or HKSCC to trade ChiNext Shares through the China Connect Service;

"**Eligible Share**" means, in respect of any Affected Share/ETF Interest, the share specified as such in the applicable Pricing Supplement;

"**ETF**" means (in respect of an ETF Interest) any fund specified in the applicable Pricing Supplement as an ETF;

"**ETF Documents**" means, unless otherwise specified in the applicable Pricing Supplement, with respect to any ETF Interest, the offering document of the relevant ETF, the constitutive and governing documents, subscription agreements and any other agreement or document specifying the terms and conditions of such ETF Interest and any additional documents specified in the applicable Pricing Supplement, each as amended from time to time;

"**ETF Interest**" means the share, or other interest or unit of holding (including, without limitation, any debt security) issued to or held by an investor in an ETF, as identified in the applicable Pricing Supplement;

"**ETF Service Provider**" means, in respect of any ETF, any person who is appointed to provide services, directly or indirectly, in respect of such ETF, whether or not specified in the ETF Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar, transfer agent, domiciliary agent, sponsor or general partner or any other person specified in the applicable Pricing Supplement;

"**Exchange**" means:

(i) (i) in respect of an Index relating to Single Index Securities or Index Basket Securities other than a Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement or, if none is specified, the principal exchange or quotation system for trading in such Index, as determined by the Determination Agent, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the shares underlying such Index has temporarily relocated, **provided that** the Determination Agent has determined that there is comparable liquidity relative to the shares underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange, and (ii) with respect to any Multi-Exchange Index, and in respect of each Component, the principal stock exchange on which such Component is principally traded, as determined by the Determination Agent;

(ii) in respect of a Share relating to Single Share Securities or Share Basket Securities, each exchange or quotation system specified as such for such Share in the applicable Pricing Supplement or, if none is specified, the principal exchange or quotation system for trading

in such Share, as determined by the Determination Agent, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated, **provided that** the Determination Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange; and

(iii) in respect of an ETF Interest relating to Single ETF Securities or ETF Basket Securities, each exchange or quotation system specified as such for such ETF Interest in the applicable Pricing Supplement or, if none is specified, the principal exchange or quotation system for trading in such ETF Interest, as determined by the Determination Agent, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which trading in the ETF Interest has temporarily relocated, **provided that** the Determination Agent has determined that there is comparable liquidity relative to such ETF Interest on such temporary substitute exchange or quotation system as on the original Exchange;

"**Exchange Business Day**" means

(i) except with respect to a Multi-Exchange Index, any Scheduled Trading Day (a) on which each Exchange and Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (b) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, which is a China Connect Business Day; and

(ii) with respect to any Multi-Exchange Index, any Scheduled Trading Day (a) on which the Index Sponsor publishes the level of the Index and (ii) on which the Related Exchange is open for trading during its regular trading session, notwithstanding any Exchange or the Related Exchange closing prior to its Scheduled Closing Time, and (iii) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, which is a China Connect Business Day;

"**Exchange Disruption**" means

(i) except with respect to a Multi-Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares or ETF Interests on the Exchange (or in the case of Single Index Securities or Index Basket Securities, on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index), or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Shares, the relevant Index or the ETF Interests (as the case may be) on any relevant Related Exchange and

(ii) with respect to any Multi-Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (i) any Component on the Exchange in respect of such Component, or (ii) futures or options contracts relating to the Index on the Related Exchange;

"**Extraordinary Dividend**" means the dividend per Share or ETF Interest, or portion thereof, to be characterised as an Extraordinary Dividend as determined by the Determination Agent;

"**Extraordinary ETF Event**" has the meaning given in Condition 9.5(e) (*Extraordinary ETF Events*);

"**Extraordinary Event**" means a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting;

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s)

or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Warrants or Certificates, or (B) realise, recover or remit the proceeds of any such transactions or asset(s);

"**HKSCC**" means the Hong Kong Securities Clearing Company Limited;

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Warrants or Certificates or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

"**Index**" means any index specified as such in the applicable Pricing Supplement, subject to Condition 9.2 (*Adjustments to Indices*);

"**Index Adjustment Event**" means, in respect of an Index, an Administrator/Benchmark Event, an Index Cancellation, an Index Disruption or an Index Modification;

"**Index Sponsor**" means, in respect of an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and methods of calculation and adjustments, if any, related to the relevant Index (the "**Index Rules**" in respect of such Index) and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Scheduled Trading Day;

"**Loss of Stock Borrow**" means that the Issuer is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) the Shares or ETF Interests or of any financial instrument or contract providing exposure to the Shares or ETF Interests or Index or Indices with respect to the Warrants or Certificates in an amount which the Issuer deems necessary to hedge the risk of entering into and performing its obligations with respect to the Warrants or Certificates (not to exceed the number of the Shares, ETF Interests or financial instruments or contracts underlying the Warrants or Certificates) at a rate determined by the Issuer;

"**Market Disruption Event**" means

(i) in respect of (1) a Share, (2) an Index other than a Multi-Exchange Index or Proprietary Index or (3) an ETF Interest, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, (iii) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, a China Connect Disruption, which in each case the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Determination Time, or (iv) an Early Closure, or (v) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, a China Connect Early Closure. For the purpose of determining whether a Market Disruption Event exists in respect of an Index at any time, if a Market Disruption Event occurs in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the Market Disruption Event occurred;

(ii) with respect to any Multi-Exchange Index either (i)(A) the occurrence or existence, in respect of any Component, of (1) a Trading Disruption, (2) an Exchange Disruption, (3) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, a China Connect Disruption, which in each case the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Determination Time in respect of the Exchange on which such Component is principally traded, or (4) an Early Closure, or (5) if "(China Connect)" is specified next

to the name of the Exchange in the applicable Pricing Supplement, a China Connect Early Closure; AND (B) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption, a China Connect Disruption (if applicable), an Early Closure or a China Connect Early Closure (if applicable) occurs or exists comprises 20 per cent. or more of the level of the Index; OR (ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption, (B) an Exchange Disruption, (C) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, a China Connect Disruption, which in each case the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Determination Time in respect of the Related Exchange,or (D) an Early Closure or (E) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, a China Connect Early Closure; and

(iii) with respect to a Proprietary Index, either (a) the failure by the Index Sponsor to calculate and publish the level of the Index for any Scheduled Trading Day or in respect of such Scheduled Trading Day within the scheduled or usual timeframe for publication or (b) the occurrence of any other event specified as a Proprietary Index Additional Market Disruption Event in the applicable Pricing Supplement.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component at any time, if a Market Disruption Event occurs in respect of such Component at that time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "**opening data**";

"**Multi-Exchange Index**" means any Index specified as such in the applicable Pricing Supplement;

"**Observation Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Observation Date shall be determined in accordance with the provisions of Condition 9.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Observation Period**" means such period as specified in the applicable Pricing Supplement;

"**Potential Adjustment Event**" means, in respect of Single Share Securities, Single ETF Securities, Share Basket Securities or ETF Basket Securities:

(i) a subdivision, consolidation or reclassification of a Share or ETF Interest (unless resulting in a Merger Event), or a free distribution or dividend of Shares or ETF Interests to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of relevant Shares or ETF Interests of (A) such Shares or ETF Interests, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer or ETF equally or proportionately with such payments to holders of such a Share or ETF Interest, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Issuer or ETF as a result of a spin off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Determination Agent;

(iii) an Extraordinary Dividend;

(iv) a call by the Share Issuer in respect of relevant Shares that are not fully paid;

(v) a repurchase by an Share Issuer or ETF (as the case may be) or any of its subsidiaries of Shares or ETF Interests, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of an Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides, upon the occurrence of certain events, for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Determination Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vii) any other event having, in the opinion of the Determination Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Shares or ETF Interests;

"**Proprietary Index**" means any Index specified as such in the applicable Pricing Supplement;

"**Proprietary Index Components**" means, in relation to a Proprietary Index, the shares, securities, commodities, rates, indices, futures contracts, options contracts, foreign exchange rates or other components which comprise such Index (each a "**Proprietary Index Component**" for such Proprietary Index)

"**Reference Cut-Off Date**" means, in the case where Certificates or Warrants relate to an Index, Share or ETF Interest or a Basket of Indices, Basket of Shares or Basket of ETF Interests and in respect of a Scheduled Reference Date for the purposes of Condition 9.1(b) (*Reference Dates, Averaging Dates and Market Disruption*):

(a) if "Common Scheduled Trading Days and Common Disrupted Days" in respect of a Basket of Indices, Basket of Shares or Basket of ETF Interests is specified to be applicable in the Pricing Supplement, the eighth Common Scheduled Trading Day following such Scheduled Reference Date; or

(b) in any other case, the eighth Scheduled Trading Day, or, in respect of a Basket of Indices, Basket of Shares or Basket of ETF Interests, the eighth Scheduled Trading Day for the Affected Basket Component, following such Scheduled Reference Date;

"**Reference Date**" means, for the purposes of Condition 9.1 (*Reference Dates, Averaging Dates and Market Disruption*), each Valuation Date, Observation Date, Strike Date, or Determination Date (as applicable) specified in the applicable Pricing Supplement, or otherwise, any date construed to be a Reference Date in accordance with the Conditions;

"**Related Exchange**", in respect of an Index relating to Single Index Securities or Index Basket Securities, a Share relating to Single Share Securities or Share Basket Securities or an ETF Interest relating to Single ETF Securities or ETF Basket Securities, means the exchange specified as the Related Exchange in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures and options contracts relating to such Index, Share or ETF Interest has temporarily relocated (**provided that** the Determination Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index, Share or ETF Interests on such temporary substitute exchange or quotation system as on the original Related Exchange) or, if none or if "All Exchanges" is specified in the applicable Pricing Supplement, each exchange or quotation system where trading has a material effect (as determined by the Determination Agent) on the overall market for futures or options contracts relating to such Index, Share or ETF Interests, as the case may be;

"**Relevant Equity Index Benchmark**" means the Index;

"**Relevant Price**" on any day means:

(i) in respect of a Share to which a Single Share Security or a Share Basket Security relates, the price per Share determined by the Determination Agent in the manner provided in the applicable Pricing Supplement as of the Determination Time on the relevant day, or, if no means for determining the Relevant Price are so provided: (i) in respect of any Share for which the Exchange is an auction or "**open outcry**" exchange that has a price as of the

Determination Time at which any trade can be submitted for execution, the Relevant Price shall be the price per Share as of the Determination Time on the relevant day, as reported in the official real time price dissemination mechanism for such Exchange; and (ii) in respect of any Share for which the Exchange is a dealer exchange or dealer quotation system, the Relevant Price shall be the mid-point of the highest bid and lowest ask prices quoted as of the Determination Time on the relevant day (or the last such prices quoted immediately before the Determination Time) without regard to quotations that "**lock**" or "**cross**" the dealer exchange or dealer quotation system;

(ii) in respect of an Index to which a Single Index Security or an Index Basket Security relates, the level of such Index determined by the Determination Agent as provided in the applicable Pricing Supplement as of the Determination Time on the relevant day or, if no method for determining the Relevant Price is so provided, the level of the Index as of the Determination Time on the relevant day; and

(iii) in respect of an ETF Interest to which a Single ETF Security or an ETF Basket Security relates, the price per ETF Interest determined by the Determination Agent in the manner provided in the applicable Pricing Supplement as of the Determination Time on the relevant day, or, if no means for determining the Relevant Price are so provided: (i) in respect of any ETF Interest for which the Exchange is an auction or "open outcry" exchange that has a price as of the Determination Time at which any trade can be submitted for execution, the Relevant Price shall be the price per ETF Interest as of the Determination Time on the relevant day, as reported in the official real time price dissemination mechanism for such Exchange; and (ii) in respect of any ETF Interest for which the Exchange is a dealer exchange or dealer quotation system, the Relevant Price shall be the mid-point of the highest bid and lowest ask prices quoted as of the Determination Time on the relevant day (or the last such prices quoted immediately before the Determination Time) without regard to quotations that "lock" or "cross" the dealer exchange or dealer quotation system;

"**Replacement DRs**" means depositary receipts other than the Shares over the same Underlying Shares;

"**Scheduled Averaging Date**" means an original date (following any adjustment (if applicable) pursuant to paragraph (a) or (b) in the definition of "Averaging Date") that, but for such day being a Disrupted Day, would have been an Averaging Date;

"**Scheduled Closing Time**" means in respect of an Exchange, Related Exchange or, if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, the China Connect Service, and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange, Related Exchange or the China Connect Service (as the case may be) on such Scheduled Trading Day, without regard (in the case of any Exchange or Related Exchange) to after hours or any other trading outside of regular trading session hours or (in the case of the China Connect Service) to any after hours or any other order-routing outside of the regular order-routing session hours;

"**Scheduled Reference Date**" means, for the purposes of Condition 9.1(b) (*Reference Dates, Averaging Dates and Market Disruption*), any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Reference Date;

"**Scheduled Trading Day**" means (a) except with respect to a Multi-Exchange Index or a Proprietary Index, any day on which (i) each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading session and (ii) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, the China Connect Service is scheduled to be open for order-routing for its regular order-routing sessions, (b) with respect to any Multi-Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session and (iii) if "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, the China Connect Service is scheduled to be open for order-routing for its regular order-routing sessions, and (c) with respect to a Proprietary Index, any day on which (i) the Index Sponsor is scheduled to publish the level of such Index and (ii) if

"(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, the China Connect Service is scheduled to be open for order-routing for its regular order-routing sessions;

"**SEHK**" means The Stock Exchange of Hong Kong Limited;

"**Settlement Cycle**" means, in respect of a Share, Index or ETF Interest, the period of Settlement Cycle Days following a trade in such Share, the securities underlying such Index or ETF Interest, as the case may be, on the Exchange in which settlement will customarily occur according to the rules of such exchange (or, in respect of any Multi-Exchange Index, the longest such period) and for this purpose "**Settlement Cycle Day**" means, in relation to a clearing system any day on which such clearing system is (or but for the occurrence of a Settlement Disruption Event would have been) open for acceptance and executions of settlement instructions;

"**Settlement Price**" means, in respect of a Single Share Security, a Share Basket Security, a Single Index Security, an Index Basket Security, a Single ETF Security or an ETF Basket Security, the price, level or amount as determined by the Determination Agent, in its reasonable discretion, in accordance with the applicable Pricing Supplement;

"**Share**" means, in relation to a particular Series of Warrants or Certificates, a share specified as such in the applicable Pricing Supplement, or, in the case of a Share Basket Security, a share forming part of a basket of shares to which such Warrants or Certificates relates;

"**Share Issuer**" means the entity that is the issuer of the Share specified in the applicable Pricing Supplement;

"**Strike Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Strike Date shall be determined in accordance with the provisions of Condition 9.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Trading Disruption**" means (a) except with respect to a Multi-Exchange Index, any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange, Related Exchange or otherwise (i) relating to the Share or ETF Interest on the Exchange, or, in the case of a Single Index Security or Index Basket Security, on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or (ii) in futures or options contracts relating to the Share, the relevant Index or Indices or the ETF Interest on any relevant Related Exchange, and (b) with respect to any Multi-Exchange Index, any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (i) relating to any Component on the Exchange in respect of such Component; or (ii) in futures or options contracts relating to the Index on the Related Exchange;

"**Underlying Share Issuer**" means the entity that is the issuer of the Underlying Share specified in the applicable Pricing Supplement; and

"**Underlying Share**" means, the share or other security which is the subject of the Deposit Agreement.

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the Reference Date does not, or is not deemed to, occur; and

"**Valuation Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Valuation Date shall be determined in accordance with the provisions of Condition 9.1 (*Reference Dates, Averaging Dates and Market Disruption*).

10. **Provisions relating to Commodity-Linked Securities**

This Condition 10 (*Provisions relating to Commodity-Linked Securities*) is applicable in respect of any Series of Warrants or Certificates ("**Commodity-Linked Securities**") where "**Commodity-Linked Settlement Provisions**" are specified in the applicable Pricing Supplement as being applicable.

10.1 ***Corrections to Published Prices***

For the purposes of determining the Relevant Price for any Pricing Date, if applicable, as specified in the applicable Pricing Supplement for the purposes of calculating the Cash Settlement Amount or any other amount in respect of a Commodity-Linked Security, if the price published or announced on a given day and used or to be used by the Determination Agent to determine such Relevant Price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement by such time as may be specified in the applicable Pricing Supplement (or, if none is so specified, within thirty calendar days of the original publication or announcement) and the Determination Agent determines (in its reasonable discretion) that an amount is repayable to the Issuer as a result of that correction, the Issuer shall be entitled to reimbursement of the relevant payment by the relevant Securityholder, together with interest on that amount at a rate per annum equal to the cost (without proof or evidence of actual cost) to the Issuer of funding that amount for the period from and including the day on which a payment originally was made, to but excluding the day of payment of the refund or payment resulting from that correction (all as determined by the Determination Agent in its reasonable discretion). Any such reimbursement shall be effected in such manner as the Issuer shall agree with the Principal Securities Agent and shall be notified to the relevant Securityholder(s) by facsimile or telex to the number specified in the relevant Exercise Notice.

10.2 ***Commodity Disruption Events***

(a) If so specified in the Pricing Supplement relating to any Series of Commodity-Linked Securities, the following shall constitute "**Commodity Disruption Events**" for the purposes of such Series:

(i) "**Price Source Disruption**", which means (A) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, (B) the temporary or permanent discontinuance or unavailability of the Price Source, (C) if the Commodity Reference Price is "Commodity Reference Dealers", the failure to obtain at least three quotations from the relevant Reference Dealers or (D) if Price Materiality Percentage is specified in the applicable Pricing Supplement, the Specified Price for the relevant Commodity Reference Price differs from the Specified Price determined in accordance with the Commodity Reference Price "Commodity-Reference Dealers" by such Price Materiality Percentage;

(ii) "**Trading Disruption**", which means the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the applicable Pricing Supplement. The determination of whether a suspension of or limitation on trading is material shall be made by the Determination Agent in its reasonable discretion;

(iii) "**Disappearance of Commodity Reference Price**", which means (A) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange, (B) the disappearance of, or of trading in, the relevant Commodity, or (C) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the relevant Commodity;

(iv) "**Material Change in Content**", which means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract;

(v) "**Material Change in Formula**", which means the occurrence since the Trade Date of a material change in the formula for or method of calculating the relevant Commodity Reference Price;

(vi) "**Tax Disruption**", which means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal; and

(vii) any other (if any) Commodity Disruption Event specified in the applicable Pricing Supplement.

(b) If the applicable Pricing Supplement for a Series of Commodity-Linked Securities specifies that any Commodity Disruption Event shall be applicable to such Series, then, where the Determination Agent determines, acting in a commercially reasonable manner, that such Commodity Disruption Event has occurred and is continuing in respect of such Series on the Pricing Date in respect of such Series (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source), or on any other day as may be specified for this purpose in the applicable Pricing Supplement, then the Relevant Price will be determined, or the Warrants or Certificates of such Series shall be settled following exercise, as the case may be, in accordance with the terms of the Commodity Disruption Fallback applicable pursuant to Condition 10.3 (*Commodity Disruption Fallbacks*).

10.3 ***Commodity Disruption Fallbacks***

Where one or more Commodity Disruption Event occurs or exists, then unless the applicable Pricing Supplement specifies that any other Commodity Disruption Fallback shall apply in respect of any such Commodity Disruption Event, "**Determination Agent Determination**" shall apply.

"**Determination Agent Determination**" means that the Determination Agent will determine, in its reasonable discretion, the Relevant Price (or a method for determining the Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that it deems relevant.

10.4 ***Administrator/Benchmark Events***

If the Benchmark Trigger Provisions are specified in the applicable Pricing Supplement as being applicable and an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occur in respect of any Relevant Commodity Benchmark (other than a Commodity Index):

(a) the Commodity Disruption Fallbacks specified in the applicable Pricing Supplement to apply with respect to an Administrator/Benchmark Event will apply, or if none is so specified, or if none is so specified, Determination Agent Determination (as such term is defined in Condition 10.3 (*Commodity Disruption Fallbacks*)) shall be deemed to apply;

(b) if it (i) is or would be unlawful at any time under any applicable law or regulation or (ii) would contravene any applicable licensing requirements, in each case for the Issuer, the Determination Agent or the Calculation Agent to perform the actions prescribed in an applicable Commodity Disruption Fallback (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time), the next applicable Commodity Disruption Fallback will apply;

(c) if the Determination Agent determines that the last applicable Commodity Disruption Fallback does not provide the Relevant Underlying Value (including due to the applicability of paragraph (b) above in relation to the last applicable Commodity Disruption Fallback), then the Issuer shall terminate the relevant Warrants or Certificates, which shall cease to be exercisable (or, in the case of any Warrants or Certificates which

have been exercised, the entitlements of the respective exercising Securityholders to receive payment of the Cash Settlement Amount pursuant to such exercise shall cease) and the Issuer will pay an amount in respect of each Warrant or Certificate which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

The Issuer's obligations under the relevant Warrants or Certificates shall be satisfied in full upon payment of such amount; and

(d) the Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer, the Principal Securities Agent and the Securityholders of the occurrence of an Administrator/Benchmark Event and an Administrator/Benchmark Event Date and of any action taken as a consequence, provided that any failure to give such notice shall not affect the validity of the foregoing.

10.5 ***Common Pricing***

With respect to Warrants or Certificates relating to a Basket of Commodities, if "**Common Pricing**" has been selected in the applicable Pricing Supplement as:

(a) "**Applicable**", then no date will be a Pricing Date unless such date is a day on which all referenced Commodity Reference Prices (for which such date would otherwise be a Pricing Date) are scheduled to be published or announced, as determined as of the time of issue of the Warrants or Certificates.

(b) "**Inapplicable**", then if the Determination Agent determines that a Commodity Disruption Event has occurred or exists on the Pricing Date in respect of any Commodity in the Basket (the "**Affected Commodity**"), the Relevant Price of each Commodity within the basket which is not affected by the occurrence of a Commodity Disruption Event shall be determined on its scheduled Pricing Date and the Relevant Price for the Affected Commodity shall be determined in accordance with the first applicable Commodity Disruption Fallback that provides a Commodity Reference Price.

10.6 ***Commodity Index Disruption Events***

(a) The following shall constitute "**Commodity Index Disruption Events**" for the purposes of any Series of Warrants or Certificates with respect to a Commodity Index:

(i) a temporary or permanent failure by the applicable exchange or other price source to announce or publish the final settlement price for the relevant Commodity Index; or

(ii) the occurrence in respect of any Component of the relevant Commodity Index of a Commodity Disruption Event (as defined in Condition 10.2(a) (*Commodity Disruption Events*)).

(b) Where the Determination Agent determines, acting in a commercially reasonable manner, that a Commodity Index Disruption Event has occurred and is continuing in respect of a Series on the Pricing Date in respect of such Series (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source), or on any other day as may be specified for this purpose in the applicable Pricing Supplement, then (unless Condition 10.6(c) (*Physical Hedging Fallback*) applies) the following provisions shall apply:

(i) with respect to each Component which is not affected by the Commodity Index Disruption Event, the Relevant Price will be determined by the Determination Agent based on the closing prices of each such Component on the applicable Pricing Date;

(ii) with respect to each Component which is affected by the Commodity Index Disruption Event, the Relevant Price will be determined by the Determination Agent (in the case of any Dow Jones-UBS Commodity Index) as set out in the DJ UBSCI Manual or (in the case of any S&P Commodity Index) as set out in the Index Methodology, and in respect of any other Commodity Index as set out in the applicable Pricing Supplement, in each

case based on the closing prices of each such Component on the first day following the applicable Pricing Date on which no Commodity Index Disruption Event occurs with respect to such Component;

(iii) subject to (iv) below, the Determination Agent shall determine the Relevant Price by reference to the closing prices determined in (i) and (ii) above using the then-current method for calculating the relevant Commodity Index; and

(iv) where a Commodity Index Disruption Event with respect to one or more Components continues to exist (measured from and including the first day following the applicable determination date) for five consecutive Trading Days, the Determination Agent shall determine the Relevant Price acting in good faith and in a commercially reasonable manner. In calculating the Relevant Price as set out in this paragraph (iv), the Determination Agent shall use the formula for calculating the relevant Commodity Index last in effect prior to the Commodity Index Disruption Event. For the purposes of this paragraph (iv), "**Trading Day**" shall mean a day when the exchanges for all Components included in the relevant Commodity Index are scheduled to be open for trading.

(c) *Physical Hedging Fallback*: Where the Determination Agent determines that a Commodity Index Disruption Event has occurred and is continuing in respect of a Series on the Pricing Date in respect of such Series and "**Physical Hedging Fallback**" is specified as applicable in the applicable Pricing Supplement, then the following provisions shall apply;

(i) with respect to each Component included in the Commodity Index which is not affected by the Commodity Index Disruption Event, the Relevant Price will be based on the closing prices of each such Component on the applicable determination date;

(ii) with respect to each Component included in the Commodity Index which is affected by the Commodity Index Disruption Event, the Relevant Price will be based on the closing price of each such Component on the first day following the applicable determination date on which no Commodity Index Disruption Event occurs with respect to such Component;

(iii) subject to (iv) below, the Determination Agent shall determine the Relevant Price by reference to the closing prices determined in 10.5(a) (*Common Pricing*) and 10.5(b) (*Common Pricing*) above using the then-current method for calculating the Relevant Price; and

(iv) where a Commodity Index Disruption Event with respect to one or more Components included in the Commodity Index continues to exist (measured from and including the first day following the applicable determination date) for five consecutive Trading Days, the Determination Agent shall determine the Relevant Price in good faith and in a commercially reasonable manner. For the purposes of this paragraph (c), "**Trading Day**" shall mean a day when the exchanges for all Components included in the relevant Commodity Index are scheduled to be open for trading with respect to each Component included in the Commodity Index which is not affected by the Commodity Index Disruption Event, the Relevant Price will be based on the closing prices of each such Component on the applicable determination date.

(d) If it (a) is or would be unlawful at any time under any applicable law or regulation or (b) would contravene any applicable licensing requirements, for the Determination Agent to perform the actions prescribed in either Condition 10.6(b) (*Commodity Index Disruption Events*) or (c) (*Physical Hedging Fallback*) (as applicable) then the Issuer shall terminate the relevant Warrants or Certificates, which shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive payment of the Cash Settlement Amount pursuant to such exercise shall cease) and the Issuer will pay an amount in respect of each Warrant or Certificate which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

(e) The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer, the Principal Securities Agent and the Securityholders of the occurrence of a Commodity

Index Disruption Event and of any action taken as a consequence, provided that any failure to give such notice shall not affect the validity of the foregoing.

10.7 ***Adjustments to Commodity Index***

(a) If a Commodity Index with respect to a Commodity Reference Price is permanently cancelled or is not calculated and announced by the sponsor of such Commodity Index or any of its affiliates (together the "**Sponsor**") but (i) is calculated and announced by a successor sponsor (the "**Successor Sponsor**") acceptable to the Determination Agent, or (ii) replaced by a Successor Index (the "**Successor Index**") using, in the determination of the Determination Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of such Commodity Index, then the Commodity Reference Price will be determined by reference to the Index so calculated and announced by that Successor Sponsor or that Successor Index, as the case may be.

(b) *Commodity Index Cancellation or Administrator/Benchmark Event Date*

If, for a Commodity Index with respect to a Commodity Reference Price, on or prior to the settlement date or early settlement date of the Warrants or Certificates, either (1) the Sponsor permanently cancels the Commodity Index and no Successor Index exists (a "**Commodity Index Cancellation**") or (2) the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occurs in respect of such Commodity Index, then:

(i) If the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and if an Alternative Pre-nominated Index has been specified in relation to such Commodity Index in the applicable Pricing Supplement, then:

(A) the Determination Agent shall attempt to determine an Adjustment Payment;

(B) if the Determination Agent determines an Adjustment Payment,

(aa) it shall notify the Issuer of the Adjustment Payment and if the Adjustment Payment is an amount that the Securityholder would (but for Condition 10.7(b)(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Security, request the Issuer to notify the Determination Agent whether it intends to terminate the Warrants or Certificates pursuant to Condition 10.7(d) (*Termination for Commodity Index Adjustment Event*). If the Issuer does not intend to terminate the Warrants or Certificates pursuant to Condition 10.7(d) (*Termination for Commodity Index Adjustment Event*) then the following provisions of this Condition 10.7(b)(i) (*Commodity Index Cancellation or Administrator/Benchmark Event Date*) shall apply;

(bb) the terms of the Warrants or Certificates shall be amended so that references to the Commodity Index are replaced by references to the Alternative Pre-nominated Index;

(cc) the Conditions shall be adjusted to implement the Adjustment Payment as follows:

(a) if the Adjustment Payment is an amount that the Issuer is required to pay in respect of each Security, the Determination Agent shall adjust the Conditions to provide for the payment of the Adjustment Payment on the date when the Warrants or Certificates are settled in full; or

(b) if the Adjustment Payment is an amount that the Securityholder would (but for this Condition 10.7(b)(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Security, the Determination Agent shall adjust the

Conditions to provide for the reduction of the amounts due by the Issuer until the aggregate amount of such reductions is equal to the Adjustment Payment, (subject, in the determination of the Determination Agent, to any minimum settlement amount of the Warrants or Certificates which the Determination Agent determines is required pursuant to any applicable law or regulation (including, without limitation, any tax law) and the rules of each listing authority, stock exchange and/or quotation system by which the Warrants or Certificates have then been admitted to listing, trading and/or quotation);

(dd) the Determination Agent shall make such other adjustments to the Conditions as it determines necessary or appropriate in order to account for the effect of the replacement of the Commodity Index with the Alternative Pre-nominated Index and/or to preserve as nearly as practicable the economic equivalence of the Warrants or Certificates before and after the replacement of the Commodity Index with the Alternative Pre-nominated Index; and

(ee) the Determination Agent shall notify the Issuer, the Principal Securities Agent and the Securityholders of any replacement of the Commodity Index by the Alternative Pre-nominated Index, the Adjustment Payment and any other adjustments to the Conditions, giving summary details of the adjustment(s), provided that any failure to give such notice shall not affect the validity of the foregoing.

(C) If the Determination Agent is unable to determine an Adjustment Payment, then Condition 10.7(d) (*Termination for Commodity Index Adjustment Event*) shall apply.

(ii) If the applicable Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable or, if the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Index in relation to the Relevant Commodity Benchmark, then Condition 10.7(d) (*Termination for Commodity Index Adjustment Event*) shall apply.

(c) *Commodity Index Modification and Commodity Index Disruption*:

If, for a Commodity Index with respect to a Commodity Reference Price, on or prior to the settlement date or early settlement date of the Warrants or Certificates, (i) the Sponsor makes a material change in the formula for or the method of calculating such Commodity Index or in any other way materially modifies such Commodity Index (other than a modification prescribed in that formula or method to maintain the Commodity Index in the event of changes in constituent commodities and weightings and other routine events) (a "**Commodity Index Modification**") or, (ii) the Sponsor fails to calculate and announce the Commodity Index for a continuous period of three Trading Days and the Determination Agent determines that there is no Successor Sponsor or Successor Index (a "**Commodity Index Disruption**"), then the Determination Agent may at its option (in the case of (i)) and shall (in the case of (ii)) calculate the Relevant Price using in lieu of the published level for that Commodity Index (if any), the level for that Commodity Index as at the relevant determination date as determined by the Determination Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Commodity Index Adjustment Event, but using only those Components that comprised that Commodity Index immediately prior to the relevant Commodity Index Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

(d) *Termination for Commodity Index Adjustment Event*:

If:

(i) a Commodity Index Cancellation occurs and the Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable;

(ii) a Commodity Index Cancellation or an Administrator/Benchmark Event Date occurs in respect of a Commodity Index, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Index;

(iii) a Commodity Index Cancellation or an Administrator/Benchmark Event Date occurs in respect of a Commodity Index, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Index but the Determination Agent is unable to determine the Adjustment Payment;

(iv) a Commodity Index Cancellation or an Administrator/Benchmark Event Date occurs in respect of a Commodity Index, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Index and the Determination Agent determines that the Adjustment Payment would be an amount that the Securityholder would (but for Condition 10.7(b)(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Security; or

(v) a Commodity Index Modification or a Commodity Index Disruption occurs and it (a) would be unlawful at any time under any applicable law or regulation or (b) would contravene any applicable licensing requirements, in each case for the Determination Agent to calculate the Relevant Price in accordance with Condition 10.7(c) (*Partial Lookthrough Depositary Receipt Provisions*),

then the Issuer may, at any time thereafter and in its reasonable discretion, determine that the Warrants or Certificates shall be terminated as of any later date. If the Issuer so determines that the Warrants or Certificates shall be terminated, then the Warrants and Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive payment of the Cash Settlement Amount pursuant to such exercise shall cease) as of such later date and the Issuer will pay an amount in respect of each Warrant or Certificate which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

The Issuer's obligations under the relevant Warrants or Certificates shall be satisfied in full upon payment of such amount.

If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the exercise, settlement or payment terms of the relevant Warrants or Certificates and/or any other adjustment, which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Principal Securities Agent shall provide notice to the Securityholders of any such change or adjustment in accordance with Condition 27.8 (*Notices*), giving summary details of the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

(e) The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer, the Principal Securities Agent and the Securityholders of the occurrence of a Commodity Index Adjustment Event and of any action taken as a consequence, provided that any failure to give such notice shall not affect the validity of the foregoing.

10.8 ***Additional Disruption Events***

(a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Warrants and Certificates shall continue or be redeemed early.

(b) If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion,

considers appropriate, if any, to any variable relevant to the redemption, settlement, or payment terms of the relevant Warrants or Certificates and/or any other adjustment which change or adjustment shall be effective on such date as the Determination Agent shall determine.

(c) If the Issuer determines that the relevant Warrants or Certificates shall be terminated, then the Warrants or Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive the payment of the Cash Settlement Amount pursuant to such exercise shall cease) as of such later date and the Issuer will pay an amount in respect of each Warrant or Certificate which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Principal Securities Agent and the Determination Agent of the occurrence of an Additional Disruption Event.

(e) For the purposes hereof:

"**Additional Disruption Event**" means, with respect to any Series of Warrants or Certificates (unless otherwise specified in the applicable Pricing Supplement) a Change in Law, Hedging Disruption, Increased Cost of Hedging and any further event or events as may be specified in the applicable Pricing Supplement as an Additional Disruption Event with respect to such Warrants or Certificates.

10.9 ***Definitions applicable to Commodity-Linked Securities***

In relation to Commodity-Linked Securities, the following expressions have the meanings set out below:

"**Adjustment Payment**" means, in respect of any Security, the payment (if any) determined by the Determination Agent as is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value to or from the Issuer as a result of the replacement of the Commodity Index by the Alternative Pre-nominated Index;

"**Basket**" means a basket composed of each Commodity specified in the applicable Pricing Supplement;

"**Change in Law**" means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it has become illegal to hold, acquire or dispose of Hedge Positions or (y) it will incur a materially increased cost in performing its obligations with respect to the Warrants or Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Commodity**" means each commodity specified as such in the applicable Pricing Supplement;

"**Commodity Business Day**" means:

(i) in the case where the Commodity Reference Price is a price announced or published by an Exchange, a day that is (or, but for the occurrence of a Commodity Disruption Event, would have been) a day on that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time; and

(ii) in the case where the Commodity Reference Price is not a price announced or published by an Exchange, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Commodity Disruption Event, would have published) a price;

"**Commodity Index**" means an index comprising commodities specified as such in the applicable Pricing Supplement;

"**Commodity Index Adjustment Event**" means, in respect of a Commodity Index, a Commodity Index Cancellation, a Commodity Index Disruption or a Commodity Index Modification;

"**Commodity Reference Price**" means the commodity reference price(s) specified as such in the applicable Pricing Supplement;

"**Component**" means in relation to a Commodity Index, any commodity or Futures Contract the price of which is included in such Commodity Index;

"**Delivery Date**" means the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) specified as such in, or determined in accordance with the provisions in, the applicable Pricing Supplement. In relation to any underlying Commodity which is specified in the applicable Pricing Supplement to be a "**Non Metal**" and each Pricing Date, the relevant Delivery Date shall be the month of expiration of the first Futures Contract to expire following such Pricing Date. In relation to any underlying Commodity which is specified in the applicable Pricing Supplement to be a "**Base Metal**" or a "**Precious Metal**" and each Pricing Date, the Delivery Date shall be such Pricing Date;

"**DJ-UBS Commodity Index**" means the Dow Jones-UBS Commodity Index and any other Commodity Index, in each case which is calculated and sponsored by Dow Jones Inc, or any successor to such sponsor;

"**DJ-UBSCI Manual**" means the manual or handbook in respect of a DJ-UBS Commodity Index published by the sponsor of the relevant Commodity Index and in effect from time to time;

"**Exchange**" means each exchange or principal trading market specified as such in relation to a Commodity in the applicable Pricing Supplement or in the applicable Commodity Reference Price;

"**Futures Contract**" means either (a) the contract for future delivery in respect of the relevant Delivery Date relating to the relevant Commodity referred to in the relevant Commodity Reference Price or (b) each futures contract underlying or included in a Commodity Index;

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (b) stock loan transactions or (c) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Warrants or Certificates;

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Warrants or Certificates, or (b) realise, recover or remit the proceeds of any such transactions or asset(s);

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Warrants or Certificates or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

"**Index Methodology**" means the manual or handbook in respect of an S&P Commodity Index published by the sponsor of the relevant Commodity Index and in effect from time to time;

"**Price Source**" means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified as such in the applicable Pricing Supplement;

"**Pricing Date**" means, subject as provided in this Condition 10 (*Provisions relating to Commodity-Linked Securities*) each date specified as such (or determined pursuant to a method specified for such purpose) in the applicable Pricing Supplement;

"**Relevant Commodity Benchmark**" means:

(a) the Commodity Reference Price (or, if applicable, the index, benchmark or other price source that is referred to in the Commodity Reference Price);

(b) the Commodity Index; and

(c) any other index, benchmark or price source specified as such in the applicable Pricing Supplement.

To the extent that a Fallback Reference Price is used, such Fallback Reference Price shall be a "Relevant Benchmark" from the day on which it is used.

"**Relevant Price**" on any day means, in respect of a unit of measure of the Commodity to which a Commodity-Linked Security relates, the price, expressed as a price per unit, determined by the Determination Agent as provided in the applicable Pricing Supplement with respect to such day for the applicable Commodity Reference Price;

"**S&P Commodity Index**" means the S&P GSCI Commodity Index and any other Commodity Index, in each case which is calculated and sponsored by Standard & Poor's, or any successor to such sponsor; and

"**Specified Price**" means any of the following prices of a Commodity or Commodities or levels of a Commodity Index (which must be a price reported or capable of being determined from information reported in or by the relevant Price Source), as specified in the applicable Pricing Supplement (and, if applicable, as of the time so specified) (a) the high price, (b) the low price, (c) the average of the high price and the low price, (d) the closing price, (e) the opening price, (f) the bid price, (g) the asked price, (h) the average of the bid price and the asked price, (i) the settlement price, (j) the official settlement price (which shall be the Specified Price for any Commodity Index, and for any Commodity specified in the applicable Pricing Supplement as a "**Non Metal**"), (k) the official price, (l) the morning fixing, (m) the afternoon fixing (which shall be the Specified Price in respect of any Commodity specified in the applicable Pricing Supplement as a "**Precious Metal**"), (n) the spot price or (o) any other price specified in the applicable Pricing Supplement. The Specified Price for any Commodity specified in the applicable Pricing Supplement as a "Precious Metal" shall be the official cash bid price.

11. Provisions relating to Currency-Linked Securities

This Condition 11 (*Provisions relating to Currency-Linked Securities*) is applicable in respect of any Series of Warrants or Certificates ("**Currency-Linked Securities**") where "**Currency-Linked Settlement Provisions**" are specified in the applicable Pricing Supplement as being applicable.

11.1 *Valuation Date*

"**Valuation Date**" means, in respect of any Series of Currency-Linked Securities, the date(s) specified as such or otherwise determined as provided in the applicable Pricing Supplement **provided that** where the Valuation Date is not a Currency Business Day then the Valuation Date shall be the first preceding day that is a Currency Business Day, unless (i) an Unscheduled Holiday occurs and Condition 11.3 (*EM Unscheduled Holiday*) applies; (ii) an event giving rise to EM Valuation Postponement occurs and Condition 11.5(a)(iii) (*Currency Disruption Fallbacks – EM*

Valuation Postponement) applies; (iii) an event giving rise to EM Valuation Fallback Postponement occurs and Condition 11.5(a)(iv) (*Currency Disruption Fallbacks – EM Valuation Fallback Postponement*) applies; or (iv) otherwise specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement and subject to Condition 11.2 (*Averaging*), Condition 11.3 (*EM Unscheduled Holiday*), Condition 11.5(a)(iii) (*Currency Disruption Fallbacks – EM Valuation Postponement*), and Condition 11.5(a)(iv) (*Currency Disruption Fallbacks – EM Valuation Fallback Postponement*) (as applicable), the Valuation Date will be the date falling two Currency Business Days prior to the Exercise Date.

Where any Valuation Date is postponed pursuant to Condition 11.3 (*EM Unscheduled Holiday*), Condition 11.5(a)(iii) (*Currency Disruption Fallbacks – EM Valuation Postponement*) or Condition 11.5(a)(iv) (*Currency Disruption Fallbacks – EM Valuation Fallback Postponement*) (as applicable), the Exercise Date to which the Valuation Date relates shall be the later of (a) the scheduled Exercise Date and (b) the date that falls two Currency Business Days after the Valuation Date (or such other date as may be specified in the applicable Pricing Supplement).

11.2 ***Averaging***

If Averaging Dates are specified in the applicable Pricing Supplement, then notwithstanding any other provisions of these Conditions, the following provisions will apply to the determination of the Settlement Rate in relation to a Valuation Date:

(a) "**Averaging Date**" means, in respect of a Valuation Date, each date specified as such or otherwise determined as provided in the applicable Pricing Supplement, **provided that** if any such date is not a Currency Business Day, such date shall be the first preceding day that is a Currency Business Day, unless (i) an Unscheduled Holiday occurs and Condition 11.3 (*EM Unscheduled Holiday*) applies; (ii) an event giving rise to EM Valuation Postponement occurs and Condition 11.5(a)(iii) (*Currency Disruption Fallbacks – EM Valuation Postponement*) applies; (iii) an event giving rise to EM Valuation Fallback Postponement occurs and Condition 11.5(a)(iv) (*Currency Disruption Fallbacks – EM Valuation Fallback Postponement*) applies; or (iv) otherwise specified in the applicable Pricing Supplement.

(b) For purposes of determining the Settlement Rate in relation to a Valuation Date, the Settlement Rate will be the arithmetic mean of the Spot Rates on each Averaging Date (or, if different, the day on which rates for each Averaging Date would, in the ordinary course, be published or announced by the relevant price source).

(c) Unless (i) an Unscheduled Holiday occurs and Condition 11.3 (*EM Unscheduled Holiday*) applies; (ii) an event giving rise to EM Valuation Postponement occurs and Condition 11.5(a)(iii) (*Currency Disruption Fallbacks – EM Valuation Postponement*) applies; (iii) an event giving rise to EM Valuation Fallback Postponement occurs and Condition 11.5(a)(iv) (*Currency Disruption Fallbacks – EM Valuation Fallback Postponement*) applies; or (iv) otherwise specified in the applicable Pricing Supplement, in the case where it becomes impossible to obtain the Spot Rate on an Averaging Date (or, if different, the day on which rates for that Averaging Date would, in the ordinary course, be published or announced by the relevant price source), such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Settlement Rate. If through the operation of this Condition 11.2(c) (*Averaging*), there would not be an Averaging Date with respect to the relevant Valuation Date, the provisions of Condition 11.5 (*Currency Disruption Fallbacks*) shall apply for purposes of determining the relevant Spot Rate on the final Averaging Date with respect to that Valuation Date as if such Averaging Date were a Valuation Date on which a Price Source Disruption had occurred.

Where any Averaging Date in respect of a Valuation Date is postponed pursuant to Condition 11.3 (*EM Unscheduled Holiday*), Condition 11.5(a)(iii) (*Currency Disruption Fallbacks – EM Valuation Postponement*) or Condition 11.5(a)(iv) (*Currency Disruption Fallbacks – EM Valuation Fallback Postponement*) (as applicable), the Exercise Date to which the Averaging Date and the Valuation Date relates shall be the later of (a) the scheduled Exercise Date and (b) the date

that falls two Currency Business Days after the final Averaging Date in respect of such Valuation Date (or such other date as may be specified in the applicable Pricing Supplement).

11.3 ***EM Unscheduled Holiday***

If "EM Unscheduled Holiday" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that a Valuation Date or an Averaging Date is an Unscheduled Holiday in respect of a Settlement Rate, then the Valuation Date or Averaging Date, as the case may be, in respect of such Settlement Rate shall be the first succeeding Currency Business Day which is not an Unscheduled Holiday, unless the Determination Agent determines that such first Currency Business Day has not occurred on or before the Maximum Days of Unscheduled Holiday Postponement immediately following such scheduled Valuation Date or Averaging Date. In that case:

(A) the next day after that period that would be a Currency Business Day but for the occurrence of an Unscheduled Holiday shall be deemed to be the Valuation Date or the Averaging Date, as the case may be (such day, the "**Adjusted Valuation Date**" or the "**Adjusted Averaging Date**", as applicable); and

(B) the Determination Agent shall determine the Settlement Rate in respect of such Adjusted Valuation Date or Adjusted Averaging Date, as the case may be, in accordance with the first applicable Currency Disruption Fallback (applied in accordance with its terms) that provides the Settlement Rate.

If this Condition 11.3 (*EM Unscheduled Holiday*) applies, the provisions of Condition 11.4(a)(ii)(B) (*Currency Disruption Events – Additional Price Source Disruption Event*) shall not apply notwithstanding that "Additional Price Source Disruption" may be specified as applicable in the applicable Pricing Supplement.

11.4 ***Currency Disruption Events***

(a) If so specified in the Pricing Supplement relating to any Series of Warrants or Certificates, the following shall constitute "**Currency Disruption Events**" for the purposes of such Series:

(i) "**Price Source Disruption**", which means it becomes impossible, as determined by the Determination Agent, acting in a commercially reasonable manner, to determine the Settlement Rate on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the Reference Source);

(ii) "**Additional Price Source Disruption**", which means in relation to the determination of the Settlement Rate on the Valuation Date:

(A) the relevant exchange rate is not displayed on the Reference Source for such Valuation Date;

(B) such Valuation Date is an Unscheduled Holiday; or

(C) the Determination Agent determines in good faith that the exchange rate so displayed on the Reference Source is manifestly incorrect;

(iii) "**Price Materiality Event**", which means the Primary Rate differs from the Secondary Rate by at least the Price Materiality Percentage;

(iv) "**Dual Exchange Rate**", which means that the Settlement Rate splits into dual or multiple exchange rates;

(v) "**General Inconvertibility**", which means in respect of a Currency Pair, the occurrence of any event that generally makes it impossible for the Issuer or the Determination Agent on is behalf to convert the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction through customary legal channels;

(vi) "**General Non-Transferability**", which means the occurrence of any event in or affecting any relevant jurisdiction that generally makes it impossible for the Issuer to deliver (A) the Non-Event Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction or (B) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction;

(vii) "**Illiquidity**", which means it becomes impossible for the Issuer or the Determination Agent on its behalf to obtain a firm quote of the Settlement Rate for the Minimum Amount (either in one transaction or a commercially reasonable number of transactions that, when taken together, total the Minimum Amount) on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source) or by such other date (the "**Illiquidity Valuation Date**") as is specified for such purpose in the applicable Pricing Supplement. If an Illiquidity Valuation Date is specified in the applicable Pricing Supplement and an Illiquidity Currency Disruption Event occurs on such date, then the Illiquidity Valuation Date will be deemed to be the Valuation Date;

(viii) "**Governmental Authority Default**", which means with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Governmental Authority, the occurrence of a default, event of default or other similar condition or event (however described) including, but not limited to, (A) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for borrowed money or guarantee;

(ix) "**Nationalization**", which means any expropriation, confiscation, requisition, nationalization or other action by any Governmental Authority which deprives the Issuer (or any of its Affiliates), of all or substantially all of its assets in the Event Currency Jurisdiction;

(x) "**Material Change in Circumstance**", which means the occurrence of any event (other than those events specified as Currency Disruption Events in this Condition 11.4 (*Currency Disruption Events*)) in the Event Currency Jurisdiction beyond the control of the Issuer which makes it impossible for the Issuer to fulfill its obligations under the Notes; and

(xi) any other (if any) currency disruption event specified in the applicable Pricing Supplement.

(b) If the applicable Pricing Supplement specifies that any Currency Disruption Event shall be applicable to such Series, then, where the Determination Agent determines, acting in a commercially reasonable manner, that such Currency Disruption Event occurs or has occurred and is continuing in respect of such Series:

(i) in the case of Price Source Disruption, on the day that is the Valuation Date in respect of such Series (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source); and

(ii) in the case of any other Currency Disruption Event, on such day as may be specified for this purpose in the applicable Pricing Supplement,

then the Settlement Rate for such Series will be determined, or the Warrants or Certificates of such Series shall be settled following exercise, as the case may be, in accordance with the terms of the Currency Disruption Fallback first applicable pursuant to Condition 11.5 (*Currency Disruption Fallbacks*), which shall be subject to Condition 11.4(c) below.

(c) (i) If the Series of Warrants or Certificates are Currency Securities linked to a single Currency Pair, the provisions of Conditions 11.4(a) and (b) (*Currency Disruption Events*) above shall apply.

(ii) If the Series of Warrants or Certificates are Currency Securities linked to a Basket, and the Determination Agent determines that a Currency Disruption Event has occurred on any Valuation Date or Relevant Date in respect of any Settlement Rate (which for the purposes of Conditions 11.4 (*Currency Disruption Events*) and 11.5 (*Currency Disruption Fallbacks*) shall mean the Settlement Rate in respect of each Currency Pair), then:

(A) for each Settlement Rate for which the Determination Agent determines that a Currency Disruption Event has not occurred, the Settlement Rate shall be determined in accordance with the Conditions; and

(B) for each Settlement Rate for which the Determination Agent determines that a Currency Disruption Event has occurred, the Determination Agent shall determine the Settlement Rate in accordance with the applicable Currency Disruption Fallback in accordance with Condition 11.5 (*Currency Disruption Fallbacks*) and the applicable Pricing Supplement.

11.5 ***Currency Disruption Fallbacks***

(a) If so specified in the Pricing Supplement relating to any Series of Warrants or Certificates, the following shall constitute "**Currency Disruption Fallbacks**" for the purposes of such Series, and the applicable Pricing Supplement shall specify which Currency Disruption Fallback(s) shall apply to such Series, to which Currency Disruption Event each such Currency Disruption Fallback shall apply and, where more than one Currency Disruption Fallback may apply to a Currency Disruption Event, the order in which such Currency Disruption Fallback(s) shall apply to such Currency Disruption Event:

(i) "**Determination Agent Determination of Settlement Rate**" means that the Determination Agent will determine, in its reasonable discretion, the Settlement Rate (or a method for determining the Settlement Rate), taking into consideration all available information that it deems relevant including (but not limited to), in the case of Currency Securities linked to a Basket, the relevant rate for each unaffected Currency Pair which was determined on the relevant Valuation Date;

(ii) "**Fallback Reference Price**" means that the Determination Agent will determine, in its reasonable discretion, the Settlement Rate for such Series on the relevant Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced) pursuant to Currency Reference Dealers or pursuant to such other methodology or price sources as may be specified as the Fallback Reference Price in the applicable Pricing Supplement; and

(iii) "**EM Valuation Postponement**" means that if the Determintion Agent determines that a Valuation Date, an Adjusted Valuation Date, an Averaging Date or an Adjusted Averaging Date is a Disrupted Day in respect of the Settlement Rate (which term shall include, where the applicable Pricing Supplement provides that the prior applicable Currency Disruption Fallback is "Fallback Reference Price", the Settlement Rate determined using the applicable Fallback Reference Price), then the Valuation Date, Adjusted Valuation Date, Averaging Date or Adjusted Averaging Date, as the case may be, shall be the first succeeding Currency Business Day which is not a Disrupted Day, unless the Determination Agent determines that no such Currency Business Day has occurred on or before the Maximum Days of EM Valuation Postponement immediately following such scheduled Valuation Date, Adjusted Valuation Date, Averaging Date or Adjusted Averaging Date, as the case may be. In that case:

(A) the next Currency Business Day after the EM Valuation Longstop Date shall be deemed to be the Valuation Date, Adjusted Valuation Date, Averaging Date or Adjusted Averaging Date, as the case may be, (notwithstanding the fact that such day may be a Disrupted Day); and

(B) the next Currency Disruption Fallback specified in the applicable Pricing Supplement shall apply;

(iv) "**EM Valuation Fallback Postponement**" means that if the Determintion Agent determines that the Settlement Rate (which term shall include, where the applicable Pricing Supplement provides that the prior applicable Currency Disruption Fallback is "Fallback Reference Price", the Settlement Rate determined using the applicable Fallback Reference Price) is not available (a) on the first Currency Business Day following the end of the Maximum Days of EM Valuation Postponement (where a Currency Disruption Event has occurred or exists in respect of the Settlement Rate throughout the Maximum Days of EM Valuation Postponement); or (b) the Adjusted Valuation Date or Adjusted Averaging Date, as the case may be, then the Valuation Date or the Averaging Date, as the case may be, shall be the first succeeding Currency Business Day which is not a Disrupted Day, unless the Determination Agent determines that no such Currency Business Day has occurred on or before the Maximum Days of EM Valuation Fallback Postponement immediately following such first Currency Business Day following the end of the Maximum Days of EM Valuation Postponement, or the Adjusted Valuation Date or Adjusted Averaging Date, as the case may be. In that case:

(A) the next Currency Business Day after the EM Valuation Fallback Longstop Date shall be deemed to be the Valuation Date or the Averaging Date, as the case may be, (notwithstanding the fact that such day may be a Disrupted Day); and

(B) the next Currency Disruption Fallback specified in the applicable Pricing Supplement shall apply;

(v) "**Cumulative Events**" means that the total number of consecutive calendar days during which a Valuation Date or an Averaging Date, as the case may be, is deferred due to (i) an Unscheduled Holiday in circumstances where Condition 11.3 (*EM Unscheduled Holiday*) applies; (ii) EM Valuation Postponement; or (iii) EM Valuation Fallback Postponement (or a combination of (i) (ii) and (iii)), shall not exceed the Maximum Days of Cumulative Postponement in the aggregate.

Accordingly, if by the operation of the above paragraph, a Valuation Date or an Averaging Date, as the case may be, is postponed by the number of calendar days equal to the Maximum Days of Cumulative Postponement, then such Valuation Date or Averaging Date, as the case may be, shall be the Cumulative Postponement Longstop Date. If such Cumulative Postponement Longstop Date is a Disrupted Day, then the Determination Agent shall determine the Settlement Rate in respect of such Cumulative Postponement Longstop Date in accordance with the next applicable Currency Disruption Fallback; and

(vi) any other provisions specified as Currency Disruption Fallbacks in the applicable Pricing Supplement.

(b) Where more than one Currency Disruption Event occurs or exists or is deemed to occur or exist, then, unless the applicable Pricing Supplement has specified which Currency Disruption Fallback shall apply in such circumstances, the Determination Agent shall determine, in its reasonable discretion, which Currency Disruption Fallback shall apply.

11.6 ***Administrator/Benchmark Events***

(a) If an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occur:

(i) the Currency Disruption Fallbacks specified in the applicable Pricing Supplement to apply with respect to Administrator/Benchmark Event will apply, or if none are specified, the

Currency Disruption Fallbacks specified in the applicable Pricing Supplement to apply shall be deemed to apply in accordance with Condition 11.5 (*Currency Disruption Fallbacks*) provided that if the Relevant FX Benchmark is not the Settlement Rate then references to the "Settlement Rate" in the applicable Currency Disruption Fallbacks and related definitions and provisions of these Conditions shall be deemed to be references to the Relevant FX Benchmark;

(ii) if it (i) is or would be unlawful at any time under any applicable law or regulation or (ii) would contravene any applicable licensing requirements, for the Issuer or the Determination Agent to perform the actions prescribed in an applicable Currency Disruption Fallback (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time), the next applicable Currency Disruption Fallback will apply; and

(iii) if the Issuer determines that the last applicable Currency Disruption Fallback does not provide a Settlement Rate (including due to the applicability of sub-paragraph (ii) above in relation to the last applicable Currency Disruption Fallback), then the Issuer shall terminate the relevant Warrants or Certificates, which shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive the Reference Currency or payment of the Cash Settlement Amount pursuant to such exercise shall cease) and the Issuer will pay an amount in respect of each Warrant or Certificate which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

The Issuer's obligations under the relevant Warrants or Certificates shall be satisfied in full upon payment of such amount; and

(b) The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer, the Principal Securities Agent and the Securityholders of the occurrence of an Administrator/Benchmark Event Date and of any action taken as a consequence, provided that any failure to give such notice shall not affect the validity of the foregoing.

11.7 ***Change to a Relevant FX Benchmark***

If the definition, methodology or formula for a Relevant FX Benchmark, or other means of calculating the Relevant FX Benchmark, is changed (irrespective of the materiality of any such change or changes), then, unless otherwise specified in the applicable Pricing Supplement, references to that Relevant FX Benchmark shall be to the Relevant FX Benchmark as changed.

11.8 ***Additional Disruption Events***

(a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Warrants and Certificates shall continue or be redeemed early.

(b) If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the redemption, settlement, or payment terms of the relevant Warrants or Certificates and/or any other adjustment which change or adjustment shall be effective on such date as the Determination Agent shall determine.

(c) If the Issuer determines that the relevant Warrants or Certificates shall be terminated, then the Warrants or Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive the Reference Currency or the payment of the Cash Settlement Amount pursuant to such exercise shall cease) as of such later date and the Issuer will pay an amount in respect of each Warrant or Certificate which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Principal Securities Agent and the Determination Agent of the occurrence of an Additional Disruption Event.

(e) For the purposes hereof:

"**Additional Disruption Event**" means with respect to any Series of Warrants or Certificates (unless otherwise specified in the applicable Pricing Supplement) a Change in Law, Hedging Disruption, Increased Cost of Hedging and any further event or events as may be specified in the applicable Pricing Supplement as an Additional Disruption Event with respect to such Warrants or Certificates.

11.9 **Definitions applicable to Currency-Linked Securities**

In relation to Currency-Linked Securities, the following expressions have the meanings set out below:

"**Basket**" means a basket composed of each Reference Currency specified in the applicable Pricing Supplement;

"**Change in Law**" means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it has become illegal to hold, acquire or dispose of Hedge Positions or (y) it will incur a materially increased cost in performing its obligations with respect to the Warrants or Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Cumulative Postponement Longstop Date**" means, in respect of any postponement by a number of days equal to the Maximum Days of Cumulative Postponement, the last day of such postponement;

"**Currency Business Day**" means, unless otherwise specified in the applicable Pricing Supplement:

(a) for the purposes of the definition of "Valuation Date" in Condition 11.1 (*Valuation Date*), in respect of any Series of Currency-Linked Securities: (1) a day on which commercial banks are (or but for the occurrence of a Currency Disruption Event would have been) open for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the Principal Financial Centre(s) of the Reference Currency and, if so specified in the applicable Pricing Supplement for this paragraph (a), in any Additional Currency Financial Centre or (2) where the currency to be valued is euro, a day that is a TARGET Settlement Day and a Business Day;

(b) for any other purpose, in respect of any Series of Currency-Linked Securities: (1) a day on which commercial banks are open for general business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the Principal Financial Centre(s) of the Reference Currency and, if so specified in the applicable Pricing Supplement for this paragraph (b), in any Additional Currency Financial Centre and (2) where one of the Currency Pair is euro, a day that is a TARGET Settlement Day;

"**Currency Pair**" means the Reference Currency and the Settlement Currency;

"**Currency Reference Dealers**" means that the Settlement Rate or the Spot Rate for a Rate Calculation Date will be determined on the basis of quotations provided by Reference Dealers on that Rate Calculation Date of that day's Specified Rate, expressed as the amount of Reference Currency per one unit of Settlement Currency for settlement on the Cash Settlement Date for the purposes of calculating the Cash Settlement Amount. The Determination Agent will request each of the Reference Dealers to provide a firm quotation of its Specified Rate for a transaction where

the amount of Reference Currency equals the Specified Amount. If four quotations are provided, the rate for a Rate Calculation Date will be the arithmetic mean of the Specified Rates, without regard to the Specified Rates having the highest and lowest value. If exactly three quotations are provided, the rate for a Rate Calculation Date will be the Specified Rate provided by the Reference Dealer that remains after disregarding the Specified Rates having the highest and lowest values. For this purpose, if more than one quotation has the same highest value or lowest value, then the Specified Rate of one of such quotations shall be disregarded. If exactly two quotations are provided, the rate for a Rate Calculation Date will be the arithmetic mean of the Specified Rates. If only one quotation is provided, the rate for a Rate Calculation Date will be the Specified Rate quoted by that Reference Dealer. The quotations used to determine the Spot Rate for a Rate Calculation Date will be determined in each case at the Specified Time on that Rate Calculation Date, or, if no such time is specified, the time chosen by the Determination Agent;

"**Disrupted Day**" means any day on which a Currency Disruption Event occurs or has occurred and is continuing;

"**EM Valuation Fallback Longstop Date**" means, in respect of any postponement by a number of days equal to the Maximum Days of EM Valuation Fallback Postponement, the last day of such postponement;

"**EM Valuation Longstop Date**" means, in respect of any postponement by a number of days equal to the Maximum Days of EM Valuation Postponement, the last day of such postponement;

"**Event Currency**" means the Reference Currency, unless otherwise specified in the applicable Pricing Supplement;

"**Event Currency Jurisdiction**" means the country for which the Event Currency is the lawful currency;

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a relevant jurisdiction;

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Warrants or Certificates;

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Warrants or Certificates, or (B) realise, recover or remit the proceeds of any such transactions or asset(s);

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Warrants or Certificates or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

"**Maximum Days of Cumulative Postponement**" means the number of days specified as such in the applicable Pricing Supplement;

"**Maximum Days of EM Valuation Fallback Postponement**" means the number of days specified as such in the applicable Pricing Supplement;

"**Maximum Days of EM Valuation Postponement**" means the number of days specified as such in the applicable Pricing Supplement;

"**Maximum Days of Unscheduled Holiday Postponement**" means the number of days specified as such in the applicable Pricing Supplement;

"**Minimum Amount**" means, for the purposes of an Illiquidity Currency Disruption Event, the amount specified as such in the applicable Pricing Supplement or, if such an amount is not specified, the Specified Amount;

"**Non-Event Currency**" means, in respect of a Currency Pair, the currency that is not the Event Currency;

"**Price Materiality Percentage**" means the percentage specified as such in the applicable Pricing Supplement;

"**Primary Rate**" means the rate specified as such in the applicable Pricing Supplement;

"**Rate Calculation Date**" means any Valuation Date or Averaging Date (as defined in Conditions 11.1 (*Valuation Date*) and 11.2 (*Averaging*) respectively);

"**Reference Currency**" means the currency or currencies specified as such in the applicable Pricing Supplement;

"**Reference Dealers**" means the reference dealers specified as such in the applicable Pricing Supplement;

"**Reference Source**" has means the source (such as a Reuters screen page, Bloomberg page or website) specified as such in the applicable Pricing Supplement or any successor;

"**Relevant FX Benchmark**" means, in respect of any Warrants or Certificates:

(i) the Settlement Rate;

(ii) the Primary Rate and the Secondary Rate; and

(iii) any other index, benchmark, rate or price source which is referenced in the Warrants or Certificates and which is a measure constituting an index (or combination of indices) under any law or regulation applicable to the Warrants or Certificates and identified as a "Relevant FX Benchmark" in the applicable Pricing Supplement.

To the extent that a Fallback Reference Price is used, it shall be a "Relevant FX Benchmark" from the day on which it is used.

"**Secondary Rate**" means the rate specified as such in the applicable Pricing Supplement;

"**Settlement Currency**" means the currency specified as such in the applicable Pricing Supplement;

"**Settlement Rate**" means the rate as determined by the Determination Agent, in its reasonable discretion, in accordance with the applicable Pricing Supplement and, where applicable shall be determined in accordance with Condition 11.2 (*Averaging*);

"**Specified Amount**" means the amount of Reference Currency specified as such in the applicable Pricing Supplement;

"**Specified Rate**" means any of the following rates, as specified in the applicable Pricing Supplement: (i) the Reference Currency bid exchange rate, (ii) the Reference Currency offer exchange rate, (iii) the average of the Reference Currency bid and offer exchange rates, (iv) the

Settlement Currency bid exchange rate, (v) the Settlement Currency offer exchange rate, (vi) the average of the Settlement Currency bid and offer exchange rates, (vii) the official fixing rate or (viii) any other exchange rate specified in the applicable Pricing Supplement. If no such rate is specified, the Specified Rate will be deemed to be the average of the Reference Currency bid and offer rate;

"**Specified Time**" means, in respect of any series of Warrants or Certificates and the determination of the Spot Rate, the time specified as such in the applicable Pricing Supplement or if no such time is specified the time chosen by the Determination Agent;

"**Spot Rate**" means for any Valuation Date, the relevant currency exchange rate expressed as the amount of Reference Currency per one unit of Settlement Currency determined as the currency exchange rate at the time at which such rate is to be determined for foreign exchange transactions in the Currency Pair for value on the Cash Settlement Date (or other relevant date for payment under the Warrants or Certificates), as determined in good faith and in a commercially reasonable manner by the Determination Agent; and

"**Unscheduled Holiday**" means that a day is not a Currency Business Day and that the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in the Principal Financial Centre(s) of the Reference Currency two Currency Business Days prior to such day.

12. **Provisions relating to Inflation-Linked Securities**

This Condition 12 (*Provisions relating to Inflation-Linked Securities*) is applicable in respect of any Series of Warrants or Certificates ("**Inflation-Linked Securities**") where "**Inflation-Linked Settlement Provisions**" are specified in the applicable Pricing Supplement as being applicable.

12.1 ***Delay of Publication***

If any level of an Index for a Reference Month which is relevant to the calculation of a payment under the Warrants or Certificates (a "**Relevant Level**") has not been published or announced by the day that is five Business Days prior to the next Exercise Date under the Warrants or Certificates, the Determination Agent shall determine a Substitute Index Level (in place of such Relevant Level) in a commercially reasonable manner in its reasonable discretion. If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the next Exercise Date or other relevant exercise date as may be specified in the applicable Pricing Supplement, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this Condition 12.1 (*Delay of Publication*), will be the definitive level for that Reference Month.

12.2 ***Cessation of Publication*:**

If a level for the Index has not been published or announced for two consecutive months or the Index Sponsor announces that it will no longer continue to publish or announce the Index then the Determination Agent shall determine a Successor Index (in lieu of any previously applicable Index) for the purposes of the Warrants or Certificates by using the following methodology:

(a) If at any time a Successor Index has been designated by the calculation agent of the Related Bond pursuant to the terms and conditions of the Related Bond, such Successor Index shall be designated a "**Successor Index**" for the purposes of all subsequent Exercise Dates or other relevant exercise dates as may be specified in the applicable Pricing Supplement in relation to the Warrants or Certificates, notwithstanding that any other Successor Index may previously have been determined under Conditions 12.2(b), 12.2(c) or 12.2(d) below; or

(b) If a Successor Index has not been determined under Condition 12.2(a) above and a notice has been given or an announcement has been made by the Index Sponsor, specifying that the Index will be superseded by a replacement index specified by the Index Sponsor, and the Determination Agent determines that such replacement index is calculated using the same or substantially similar

formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be the Index for purposes of the Warrants or Certificates from the date that such replacement index comes into effect; or

(c) If a Successor Index has not been determined under Condition 12.2(a) or 12.2(b) above, the Determination Agent shall ask five leading independent dealers to state what the replacement Index for the Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same Index, this Index will be deemed the "Successor Index". If three responses are received, and two or more leading independent dealers state the same Index, this Index will be deemed the "Successor Index". If fewer than three responses are received, the Determination Agent will proceed to Condition 12.2(d) below;

(d) If no Successor Inflation Index has been determined under Condition 12.2(a), 12.2(b) or 12.2(c) above by the fifth Business Day prior to the next Affected Payment Date, the Determination Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed a "Successor Inflation Index"; or

(e) If the Determination Agent determines that there is no appropriate alternative index, the Issuer shall terminate the relevant Warrants or Certificates, which shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive payment of the Cash Settlement Amount pursuant to such exercise shall cease) and the Issuer will pay an amount in respect of each Warrant or Certificate which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

The Issuer's obligations under the relevant Warrants or Certificates shall be satisfied in full upon payment of such amount.

12.3 ***Rebasing of the Index***

If the Determination Agent determines that an Index has been or will be rebased at any time, the Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the level of such Index from the date of such rebasing; provided, however, that the Determination Agent shall make such adjustments as are made by the calculation agent of the Related Bond pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. If there is no Related Bond, the Determination Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Warrants or Certificates.

12.4 ***Material Modification Prior to Payment Date***

If, on or prior to the day that is five Business Days before an Exercise Date or other relevant payment date as may be specified in the applicable Pricing Supplement, an Index Sponsor announces that it will make a material change to an Index then the Determination Agent shall make any such adjustments to the Index consistent with adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Index to continue as the Index.

12.5 ***Manifest Error in Publication***

If, within thirty days of publication and prior to the Expiration Date or payments in respect of any relevant Exercise Date or other relevant payment date as may be specified in the applicable Pricing Supplement, the Determination Agent determines that the Index Sponsor has corrected the level of the Index to remedy a manifest error in its original publication, the Determination Agent will notify the holders of the Warrants or Certificates in accordance with Condition 27 (*Notices*) of (i) that correction, (ii) the adjusted amount that is then payable under the Warrant or Certificates as a result of that correction and (iii) take such other action as it may deem necessary to give effect to such

correction, provided that any amount payable pursuant to sub-paragraph (ii) above shall be paid (with no interest accruing thereon) (a) in connection with an Index Sponsor's correction to remedy a manifest error in the level of an Index for a Reference Month for which the Specified Interest Payment Date, or other relevant payment date as may be specified in the applicable Pricing Supplement has occurred, within 15 Business Days after notice of such amount payable by the Determination Agent, (b) in connection with an Index Sponsor's correction to remedy a manifest error in the level of an Index for a Reference Month for which the Specified Interest Payment Date, or other relevant payment date as may be specified in the applicable Pricing Supplement, has not occurred, as an adjustment to the payment obligation on the next Specified Interest Payment Date, or other relevant exercise date as may be specified in the applicable Pricing Supplement, or (c) if there are no further Specified Interest Payment Dates, or other relevant exercise dates as may be specified in the applicable Pricing Supplement, within 15 Business Days after notice of such amount payable by the Determination Agent.

12.6 ***Additional Disruption Events***

(a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Warrants and Certificates shall continue or be redeemed early.

(b) If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the redemption, settlement, or payment terms of the relevant Warrants or Certificates and/or any other adjustment which change or adjustment shall be effective on such date as the Determination Agent shall determine.

(c) If the Issuer determines that the relevant Warrants or Certificates shall be terminated, then the Warrants or Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive payment of the Cash Settlement Amount pursuant to such exercise shall cease) as of such later date and the Issuer will pay an amount which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Principal Securities Agent and the Determination Agent of the occurrence of an Additional Disruption Event.

(e) For the purposes hereof:

"**Additional Disruption Event**" means, if specified as applicable in the applicable Pricing Supplement, with respect to any Series of Warrants or Certificates, a Change in Law, Hedging Disruption, Increased Cost of Hedging and any further event or events as may be specified in the applicable Pricing Supplement as an Additional Disruption Event with respect to such Warrants or Certificates.

12.7 ***Definitions Applicable to Inflation-Linked Securities***

In relation to Inflation-Linked Securities the following expressions have the meanings set out below:

"**Affected Exercise Date**" means each Exercise Date, or other relevant exercise date as may be specified in the applicable Pricing Supplement, in respect of which an Index has not been published or announced;

"**Change in Law**" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has become illegal to hold, acquire or dispose of Hedge Positions or (ii) it will incur a materially increased cost in performing its obligations with

respect to the Warrants or Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Fallback Bond**" means a bond selected by the Determination Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (a) the same date as the Settlement Election Date, (b) the next longest maturity after the Settlement Election Date or (c) the next shortest maturity before the Settlement Election Date if no bond is defined in (a) and (b) is selected by the Determination Agent. If the Index relates to the level of inflation across the European Monetary Union, the Determination Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Determination Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Settlement Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Determination Agent from those bonds. If the Fallback Bond redeems the Determination Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged);

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (b) stock loan transactions or (c) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Warrants or Certificates;

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Warrants or Certificates, or (b) realise, recover or remit the proceeds of any such transactions or asset(s);

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Warrants or Certificates or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

"**Index**" means any index specified as such in the applicable Pricing Supplement;

"**Index Sponsor**" means, in respect of an Index, the entity specified as such in the applicable Pricing Supplement or, if no entity is specified, the entity that publishes or announces (directly or through an agent) the level of the relevant Index;

"**Reference Month**" means the calendar month for which the level of the relevant Index was reported, regardless of when this information is published or announced. If the period for which the Index level was reported is a period other than a month, the Reference Month will be the period for which the Index level was reported;

"**Related Bond**" means the bond specified in the applicable Pricing Supplement, or if no bond is so specified, the Fallback Bond. If the Related Bond is "Fallback Bond", then for any Related Bond determination under these Conditions, the Determination Agent shall use the Fallback Bond (as that is defined in this Condition 12.7 (*Definitions Applicable to Inflation Linked Securities*) herein). If no bond is specified in the applicable Pricing Supplement as the Related Bond and "Fallback Bond: Not Applicable" is specified in the applicable Pricing Supplement there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Pricing Supplement, and that bond redeems or matures before the relevant Expiration Date, unless "Fallback Bond: Not

Applicable" is specified in the applicable Pricing Supplement, the Determination Agent shall use the Fallback Bond for any Related Bond determination;

"**Substitute Index Level**" means an Index level, determined by the Determination Agent pursuant to the provisions of Condition 12.1 (*Delay of Publication*), in respect of an Affected Exercise Date; and

"**Successor Index**" has the meaning specified in Condition 12.2 (*Cessation of Publication*).

13. Provisions relating to Futures Contract-Linked Securities

This Condition 13 (*Provisions relating to Futures Contract-Linked Securities*) is applicable in respect of any Series of Warrants or Certificates ("**Futures Contract-Linked Securities**") where "**Futures Contract-Linked Settlement Provisions**" are specified in the applicable Pricing Supplement as being applicable.

13.1 *Reference Dates, Averaging Dates and Market Disruption*

(a) If a Reference Date is not a Scheduled Trading Day, the relevant Reference Date shall be the next succeeding Scheduled Trading Day or, if either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, the next succeeding Common Scheduled Trading Day.

(b) Subject to Condition 13.1(d) (*Reference Dates, Averaging Dates and Market Disruption*) below, if any Scheduled Reference Date is a Disrupted Day, then:

(i) in the case of a Single Futures Contract Security, the relevant Reference Date shall be the earlier of (i) the first succeeding Scheduled Trading Day that is not in the determination of the Determination Agent a Disrupted Day and (ii) the Reference Cut-Off Date (notwithstanding that such Scheduled Trading Day is a Disrupted Day).

(ii) in the case of a Futures Contract Basket Security:

(A) where "Individual Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:

(1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and

(2) the Reference Date for any Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an "**Affected Basket Component**") shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component; and (B) the Reference Cut-Off Date for such Affected Basket Component (notwithstanding that such day may not be a Scheduled Trading Day).

(B) where "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then the Reference Date for each Basket Component shall be the earlier

of (i) the first Common Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day with respect to any Basket Component; and (ii) the Reference Cut-Off Date (notwithstanding that such day may not be a Common Scheduled Trading Day).

(C) where "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:

(1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and

(2) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an "**Affected Basket Component**") shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component; and (B) the Reference Cut-Off Date for such Affected Basket Component (notwithstanding that such day may not be a Common Scheduled Trading Day or a Scheduled Trading Day).

(iii) in the case of any Single Futures Contract Security or Futures Contract Basket Security (as the case may be), where a Reference Date falls on the relevant Reference Cut-Off Date pursuant to Condition 13.1(b)(ii) (*Reference Dates, Averaging Dates and Market Disruption*), then:

(A) if such Reference Cut-Off Date is not a Disrupted Day for such Single Futures Contract Security or Futures Contract Basket Security (as the case may be), the Determination Agent shall determine the value of such Futures Contract as at the Determination Time on such Reference Cut-Off Date; or

(B) if such Reference Cut-Off Date is a Disrupted Day, in respect of Single Futures Contract Security and Futures Contract Basket Security, the Determination Agent shall determine, in its reasonable discretion, its good faith estimate of the value for such Futures Contract as of the Determination Time on such Reference Cut-Off Date.

(c) Subject to Condition 13.1(d) (*Reference Dates, Averaging Dates and Market Disruption*) below, if Averaging Dates are specified in the applicable Pricing Supplement as being applicable, then, notwithstanding any other provisions of these Conditions (other than Condition 13.1(d)) (*Reference Dates, Averaging Dates and Market Disruption*) below, the following provisions will apply to the valuation of the relevant Futures Contract in relation to the relevant Reference Date:

(i) If, in respect of a Single Futures Contract Security, a Scheduled Averaging Date is determined by the Determination Agent to be a Disrupted Day, then if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is:

(A) "**Omission**", then such date will be deemed not to be a relevant Averaging Date in respect of such Reference Date for the purposes of determining the relevant level, price, value or amount provided that, if through the operation of this provision no Averaging Date would occur with respect to the relevant Reference Date, then Condition 13.1(b)

(*Reference Dates, Averaging Dates and Market Disruption*) will apply for purposes of determining the relevant level, price, value or amount on the final Averaging Date in respect of that Reference Date as if such final Averaging Date were a Reference Date that was a Disrupted Day;

(B) "**Postponement**", then Condition 13.1(b) (*Reference Dates, Averaging Dates and Market Disruption*) above will apply for the purposes of determining the relevant level, price, value or amount on that date as if such date were a Reference Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the relevant Warrants or Certificates; or

(C) "**Modified Postponement**", then the Averaging Date shall be the earlier of (I) the first Valid Date following the Scheduled Averaging Date and (II) the Averaging Cut-Off Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date.

(ii) If, in respect of a Futures Contract Basket Security, a Scheduled Averaging Date in respect of a Reference Date is determined by the Determination Agent to be a Disrupted Day in respect of any Basket Component, then:

(A) where "Individual Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Omission":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) such date shall not be an Averaging Date in respect of such Reference Date for any Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "Affected Basket Component"), provided that if through the operation of this provision there would not be any Averaging Date in respect of such Reference Date for the Affected Basket Component, then the sole Averaging Date for such Affected Basket Component shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component;

(2) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component. Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 13.1(c)(ii)(A)(2)(b) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

(3) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Modified Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Valid Date following the Scheduled Averaging Date in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;

(B) where "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Omission", such date will be deemed not to be a relevant Averaging Date in respect of any Basket Component for the purposes of determining the relevant level, price, value or amount provided that, if through the operation of this provision there would be no Averaging Date in respect of such Reference Date, then the sole Averaging Date for each Basket Component shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day for any Basket Component and (B) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day);

(2) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Postponement", then the Averaging Date shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of any Basket Component and (B) the Averaging Cut-

Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day). Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 13.1(c)(ii)(B)(2) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

(3) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Modified Postponement", then the Averaging Date for each Basket Component shall be the earlier of (I) the first Common Valid Date following the Scheduled Averaging Date and (II) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day), irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;

(C) where "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Omission":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) such date shall not be an Averaging Date in respect of such Reference Date for any Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**"), provided that if through the operation of this provision there would not be any Averaging Date in respect of such Reference Date for the Affected Basket Component, then the sole Averaging Date for such Affected Basket Component shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component (notwithstanding the fact that such day may not be a Common Scheduled Trading Day);

(2) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an

"**Affected Basket Component**") shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component (notwithstanding the fact that such day not be a Common Scheduled Trading Day). Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 13.1(c)(ii)(C)(C)(C)(2)(b) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

(3) if, in relation to "**Averaging Date Disruption**", the consequence specified in the applicable Pricing Supplement is "Modified Postponement":

(a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Valid Date (that is a Scheduled Trading Day) following the Scheduled Averaging Date in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;

(iii) If, in respect of any Single Futures Contract Security or Futures Contract Basket Security (as the case may be), an Averaging Date falls on the relevant Averaging Cut-Off Date pursuant to Condition 13.1(c)(ii) (*Reference Dates, Averaging Dates and Market Disruption*):

(A) if such Averaging Cut-Off Date is not a Disrupted Day for such Single Futures Contract Security or Futures Contract Basket Security (as the case may be), the Determination Agent shall determine the value of such Futures Contract as at the Determination Time on such Averaging Cut-Off Date; or

(B) if such Averaging Cut-Off Date is a Disrupted Day in respect of Single Futures Contract Security or Futures Contract Basket Security (as the case may be), the Determination Agent shall determine, in its reasonable discretion, its good faith estimate of the value for such Futures Contract as of the Determination Time on such Averaging Cut-Off Date.

(iv) If any Averaging Dates in relation to a Reference Date occur after that Reference Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Interest Payment Date, Exercise Date or (ii) the occurrence of a Futures Contract Adjustment Event or an Additional Disruption Event shall be determined by reference to the last such Averaging Date as though it were that Reference Date.

(d) If in respect of a Futures Contract and a Reference Date, a Scheduled Reference Date or Scheduled Averaging Date is specified to be the "Expiry Date" in the applicable Pricing

Supplement and due to the Scheduled Reference Date or Scheduled Averaging Date (as the case may be) being a Disrupted Day (or for any other reason), the final settlement price has been announced and published on or prior to the Scheduled Reference Date or Scheduled Averaging Date (as the case may be), then the Reference Date or Averaging Date (as the case may be) for such Futures Contract shall fall on the Expiry Date and the provisions of Conditions 13.1(b) and (c) (*Reference Dates, Averaging Dates and Market Disruption*) above shall not apply to such Futures Contract and Scheduled Reference Date or Scheduled Averaging Date (as the case may be).

(e) If an event or circumstance that would otherwise constitute or give rise to a Disrupted Day also constitutes a Futures Contract Adjustment Event, the Determination Agent shall determine whether such event or circumstance shall be treated as a Disrupted Day or a Futures Contract Adjustment Event.

13.2 ***Administrator/Benchmark Event or Disappearance of Futures Contract or Settlement Price*:**

If the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and, on or prior to any Reference Date, (i) an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occurs or (ii) a Disappearance of Futures Contract or Settlement Price occurs, in each case in respect of a relevant Futures Contract, then:

(a) If the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and if an Alternative Pre-nominated Futures Contract has been specified in relation to such Futures Contract in the applicable Pricing Supplement, then:

(i) the Determination Agent shall attempt to determine an Adjustment Payment;

(ii) if the Determination Agent determines an Adjustment Payment,

(A) it shall notify the Issuer of the Adjustment Payment and if the Adjustment Payment is an amount that the Securityholder would (but for Condition 13.2(a)(ii)(C)(2)) be required to pay to the Issuer in respect of each Security, request the Issuer to notify the Determination Agent whether it intends to terminate the Warrants or Certificates pursuant to Condition 13.4(b) (*Redemption*). If the Issuer does not intend to terminate the Warrants or Certificates pursuant to Condition 13.4(b) (*Redemption*) then the following provisions of this Condition 13.2(a) (*Administrator/Benchmark Event or Disappearance of Futures Contract or Settlement Price*) shall apply;

(B) the terms of the Warrants or Certificates shall be amended so that references to the Futures Contract are replaced by references to the Alternative Pre-nominated Futures Contract;

(C) the Conditions shall be adjusted to implement the Adjustment Payment as follows:

(1) if the Adjustment Payment is an amount that the Issuer is required to pay in respect of each Security, the Determination Agent shall adjust the Conditions to provide for the payment of the Adjustment Payment on the immediately succeeding Interest Payment Date or if there is no such immediately succeeding Interest Payment Date, on the Exercise Date or other date when the Warrants or Certificates are settled in full; or

(2) if the Adjustment Payment is an amount that the Securityholder would (but for this Condition 13.2(a)(ii)(C)(2)) be required to pay to the Issuer in respect of each Security, the Determination Agent shall adjust the Conditions to provide for

the reduction of the amounts due by the Issuer until the aggregate amount of such reductions is equal to the Adjustment Payment, (subject, in the determination of the Determination Agent, to any minimum settlement amount of the Warrants or Certificates which the Determination Agent determines is required pursuant to any applicable law or regulation (including, without limitation, any tax law) and the rules of each listing authority, stock exchange and/or quotation system by which the Warrants or Certificates have then been admitted to listing, trading and/or quotation);

(D) the Determination Agent shall make such other adjustments to the Conditions as it determines necessary or appropriate in order to account for the effect of the replacement of the Futures Contract with the Alternative Pre-nominated Futures Contract and/or to preserve as nearly as practicable the economic equivalence of the Warrants or Certificates before and after the replacement of the Futures Contract with the Alternative Pre-nominated Futures Contract; and

(E) the Determination Agent shall notify the Issuer, the Principal Securities Agent and the Securityholders of any the replacement of the Futures Contract by the Alternative Pre-nominated Futures Contract, the Adjustment Payment and any other adjustments to the Conditions, giving summary details of the adjustment(s), provided that any failure to give such notice shall not affect the validity of the foregoing.

(iii) If the Determination Agent is unable to determine an Adjustment Payment then Condition 13.4(b) (*Termination*) shall apply.

(b) If the applicable Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable or, if the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Futures Contract in relation to the relevant Futures Contract, then Condition 13.4(b) (*Termination*) shall apply.

(c) If it (i) is or would be unlawful at any time under any applicable law or regulation or (ii) would contravene any applicable licensing requirements, in each case for the Issuer, the Determination Agent or the Calculation Agent to perform the actions prescribed in this Condition 13.2 (*Administrator/Benchmark Event or Disappearance of Futures Contract or Settlement Price*) (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time), then Condition 13.4(b) (*Termination*) shall apply.

13.3 ***Futures Contract Adjustment Events*:**

If so specified in the Pricing Supplement relating to any Series of Futures Contract Securities, the following shall constitute "**Futures Contract Adjustment Events**" for the purposes of such Series:

(a) "**Price Source Disruption**", which means (i) the failure of the Futures Contract Sponsor to announce or publish the Settlement Price (or the information necessary for determining the Settlement Price) or (ii) the failure by the relevant Exchange to publish the Settlement Price;

(b) "**Trading Restriction**", which means the material suspension of, or the material limitation imposed on, trading in (i) the Futures Contract on the Exchange or (ii) any relevant Futures Contract Underlier(s).

(c) "**Disappearance or Non-commencement of Futures Contract or Settlement Price**", which means (i) the permanent discontinuation of the Futures Contract or of trading in the

relevant Futures Contract on the relevant Exchange or (ii) the disappearance or permanent discontinuance or unavailability of a Settlement Price or (iii) trading in the relevant Futures Contract never commenced and, in any such case, no Successor Futures Contract exists provided that the scheduled expiry of a Futures Contract in accordance with the relevant contract specifications shall not constitute the Disappearance or Non-commencement of Futures Contract or Settlement Price;

(d) "**Material Change in Formula**", which means the occurrence since the Trade Date of a material change or modification in the formula for or method of calculating the settlement price or other price of the relevant Futures Contract;

(e) "**Material Change in Content**", which means the occurrence since the Trade Date of a material change or modification in the content, composition or constitution of the relevant Futures Contract;

(f) "**Tax Disruption**", which means the imposition of, change in or removal of an excise, severance, sales, use, value added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Futures Contract (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the relevant level, price, value or amount on the day that would otherwise be a Reference Date from what it would have been without that imposition, change or removal.

(g) "**Change of Exchange**", which means that the Futures Contract is no longer negotiated on the Exchange and/or under a market-standard format as of the Trade Date but is negotiated on an exchange and/or under a format that is not acceptable to the Determination Agent.

(h) "**Illiquidity Event**", which means that in the determination of the Determination Agent, the liquidity of the Futures Contract has decreased significantly since the Trade Date, such decrease of liquidity being likely to have a material impact on any hedging arrangements of the Issuer and/or any of its Affiliates in connection with the Warrants or Certificates.

13.4 ***Adjustments for Futures Contract Adjustment Events*:**

(a) *Adjustment*:

If a Futures Contract Adjustment Event which is a Price Source Disruption, a Trading Disruption, a Material Change in Formula, a Material Change in Content, a Tax Disruption, a Change of Exchange or an Illiquidity Event occurs, the Determination Agent shall determine if such Futures Contract Adjustment Event has a material effect on the Warrants or Certificates and, if so, subject to Condition 13.4(b) (*Termination*), shall:

(i) make such adjustments to the Conditions and/or the applicable Pricing Supplement as the Determination Agent determines necessary or appropriate to account for the effect of such Futures Contract Adjustment Event and determine the effective date of each such adjustment; and/or

(ii) substitute such Futures Contract with a new Futures Contract selected by the Determination Agent (which shall be a replacement futures contract using, in the determination of the Determination Agent, the same or a substantially similar formula and method of calculation as used in the calculation of the Futures Contract or a replacement futures contract selected by the Determination Agent in accordance with any other criteria specified in the applicable Pricing Supplement) and make such adjustments (if any) to the Conditions and/or the applicable Pricing Supplement as it deems necessary or appropriate in relation to such substitution. Such new futures contract shall be deemed to be a Futures

Contract in place of the Futures Contract the subject of the Futures Contract Adjustment Event.

If the Determination Agent determines that no calculation, adjustment and/or substitution can reasonably be made pursuant to the above, Condition 13.4(b) (*Termination*) shall apply.

(b) *Termination*:

If either:

(i) a Futures Contract Adjustment Event which is a Disappearance of Futures Contract or Settlement Price occurs or an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occurs and:

(A) the Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable;

(B) the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Futures Contract;

(C) the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Futures Contract but the Determination Agent is unable to determine the Adjustment Payment;

(D) the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Futures Contract and the Determination Agent determines that the Adjustment Payment would be an amount that the Securityholder would (but for Condition 13.2(a)(ii)(C)(2)) be required to pay to the Issuer in respect of each Security; or

(E) it (a) would be unlawful at any time under any applicable law or regulation or (b) would contravene any applicable licensing requirements, in each case for the Determination Agent to calculate the relevant level, price, value or amount in accordance with Condition 13.4(a) (*Adjustment*); or

(ii) any Futures Contract Adjustment Event (other than a Disappearance of Futures Contract or Settlement Price) occurs and the Determination Agent determines that no calculation, adjustment and/or substitution can reasonably be made pursuant to Condition 13.4(a) (*Adjustment*),

then the Issuer may, at any time thereafter and in its reasonable discretion, determine that the Warrants or Certificates shall be terminated as of any later date. If the Issuer so determines that the Warrants or Certificates shall be terminated, then the Warrants or Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive the Underlying Securities or payment of the Cash Settlement Amount, as the case may be, pursuant to such exercise shall cease) as of such later date and the Issuer will pay an amount which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

The Issuer's obligations under the relevant Warrants or Certificates shall be satisfied in full upon payment of such amount.

If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the redemption, settlement or payment terms of the relevant Warrants or Certificates and/or any other adjustment, which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Principal Securities Agent shall provide notice to the Securityholders of any such change or adjustment in accordance with Condition 27.8 (*Notices*), giving summary details of the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

13.5 ***Correction of Futures Contract Prices*:**

If any settlement price announced by the Futures Contract Sponsor or published by the Exchange and which is utilised by the Determination Agent for any calculation or determination (the "**Original Determination**") under the Securities is subsequently corrected and the correction (the "**Corrected Value**") is published by the Futures Contract Sponsor by such time (the "**Correction Cut Off Time**") as may be specified in the applicable Pricing Supplement (or, if none is so specified, at least 3 Business Days prior to the relevant Reference Date, Expiration Date or any early termination date of the Futures Contract Securities or Futures Contract Basket Securities (as applicable)), then the Determination Agent will notify the Issuer and the Principal Securities Agent of the Corrected Value as soon as reasonably practicable and shall determine the relevant value (the "**Replacement Determination**") using the Corrected Value. If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it determines to be necessary and practicable, the Determination Agent may adjust any relevant terms accordingly.

In the event there is any discrepancy between any settlement price published or announced by the Futures Contract Sponsor and the Exchange any which is used by the Determination Agent for any calculation or determination under the Warrants or Certificates and that is not otherwise corrected pursuant to this Condition 13.5 (*Correction of Futures Contract Prices*), the settlement price selected by the Determination Agent acting in good faith and a commercially reasonable manner shall prevail for the relevant day.

13.6 ***Additional Disruption Events*:**

(a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Warrants or Certificates shall continue or shall be terminated early.

(b) If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the formula for the Cash Settlement Amount, any Interest Amount and/or the relevant level, price, value or amount set out in the applicable Pricing Supplement, the number of Futures Contracts to which each Warrant or Certificate relates, the number of Futures Contracts comprised in a Basket of Futures Contracts, the amount, the number of or type of shares, futures contracts or other securities which may be delivered under such Warrants or Certificates and, in any case, any other variable relevant to the termination, settlement, or payment terms of the relevant Warrants or Certificates and/or any other adjustment (including without limitation, in relation to Futures Contract Basket Securities, the cancellation of terms applicable in respect of any Futures Contracts affected by the relevant Additional Disruption Event), to account for the economic effect on the Warrants or Certificates of such Additional Disruption Event, which change or adjustment shall be effective on such date as the Determination Agent shall determine.

(c) If the Issuer determines that the relevant Warrants or Certificates shall be terminated, then the Warrants or Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising

Securityholders to receive the Underlying Securities or payment of the Cash Settlement Amount, as the case may be, pursuant to such exercise shall cease) as of such later date and the Issuer will pay an amount which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Principal Securities Agent and the Determination Agent of the occurrence of an Additional Disruption Event.

(e) For the purposes hereof:

"**Additional Disruption Event**" means with respect to any Series of Futures Contract Securities any or all of a Change in Law, a Hedging Disruption and an Increased Cost of Hedging, as have been specified in the applicable Pricing Supplement as an applicable Additional Disruption Event with respect to such Warrants or Certificates.

13.7 ***Definitions applicable to Futures Contract Securities and Futures Contract Basket Securities*:**

In relation to Futures Contract Securities and Futures Contract Basket Securities, the following expressions have the meanings set out below:

"**Adjustment Payment**" means, in respect of any Warrant or Certificate, the payment (if any) determined by the Determination Agent as is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value to or from the Issuer as a result of the replacement of a Futures Contract by the Alternative Pre-nominated Futures Contract. The Determination Agent may determine that the Adjustment Payment is zero;

"**Alternative Pre-nominated Futures Contract**" means, in respect of a Futures Contract, the first of the indices, benchmarks or other price sources specified in the applicable Pricing Supplement as an "Alternative Pre-nominated Futures Contract" that is not subject to an Administrator/Benchmark Event;

"**Averaging Cut-Off Date**" means, in the case where Warrants or Certificates relate to a Futures Contract or Basket of Futures Contracts and in respect of a Scheduled Averaging Date for the purposes of Condition 13.1 (*Reference Dates, Averaging Dates and Market Disruption*) the date falling the Specified Number of Scheduled Trading Days or the Specified Number of Common Scheduled Trading Days (as the case may be) following the Scheduled Averaging Date, or if no such number is specified:

(a) if "Common Scheduled Trading Days and Common Disrupted Days" in respect of a Basket of Futures Contracts is specified to be applicable in the Pricing Supplement, the eighth Common Scheduled Trading Day following such Scheduled Averaging Date; or

(b) in any other case, the eighth Scheduled Trading Day following such Scheduled Averaging Date;

"**Averaging Date**" means, in respect of each Reference Date, either:

(a) in the case of (i) a Single Futures Contract Security or (ii) a Futures Contract Basket Security where the applicable Pricing Supplement provides that "Individual Scheduled Trading Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Pricing Supplement, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day for such (or the relevant) Futures Contract or Basket Component (as the case may be); or

(b) in the case of a Futures Contract Basket Security, where the applicable Pricing Supplement provides that either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days"

shall be applicable, each date specified as such in the applicable Pricing Supplement, or if any such date is not a Common Scheduled Trading Day, the next following Common Scheduled Trading Day for such Basket of Futures Contracts,

provided that if any such day is a Disrupted Day, the Averaging Date shall be determined in accordance with the provisions of Condition 13.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Basket**" means in relation to any Futures Contract Basket Securities, the Futures Contracts specified in the applicable Pricing Supplement as comprising the Basket, in each case in the relative proportions specified in such Pricing Supplement;

"**Basket Component**" means, in relation to a particular Series of Futures Contract Basket Securities, each Futures Contract comprised in the relevant Basket of Futures Contracts;

"**Basket of Futures Contracts**" means, in relation to a particular Series, a basket comprising the Futures Contracts specified in the applicable Pricing Supplement in the relative proportions specified in such Pricing Supplement;

"**Change in Law**" means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it has become illegal to hold, acquire or dispose of any relevant Futures Contracts, or (y) it will incur a materially increased cost in performing its obligations with respect to the Warrants or Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Common Scheduled Trading Day**" means, in respect of a Futures Contract Basket Security, each day which is a Scheduled Trading Day for all the Basket Components;

"**Common Valid Date**" means, in respect of a Futures Contract Basket Security, a Common Scheduled Trading Day that is not a Disrupted Day for any Basket Component and on which another Averaging Date does not or is deemed not to occur;

"**Determination Date**" means, in relation to any determination, each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Determination Date shall be determined in accordance with the provisions of Condition 13.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Determination Time**" means, in respect of a Futures Contract, the time at which the Settlement Price is announced or published (or, in the case of a Disrupted Day, scheduled to be announced or published in accordance with the terms of such Futures Contract);

"**Disrupted Day**" means any Scheduled Trading Day on which a Market Disruption Event has occurred or is continuing;

"**Exchange**" means, in respect of a Futures Contract relating to Single Futures Contract Securities or Futures Contract Basket Securities, each exchange or quotation system specified as such for such Futures Contract in the applicable Pricing Supplement or, if none is specified, the principal exchange or quotation system for trading in such Futures Contract, as determined by the Determination Agent, and (without prejudice to a Futures Contract Adjustment Event that is a Change of Exchange) any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Futures Contract has temporarily relocated, provided that the Determination Agent has determined that there is comparable liquidity relative to such Futures Contract on such temporary substitute exchange or quotation system as on the original Exchange;

"**Exchange Disruption**" means the Exchange fails to open for trading during any regular trading session that the Determination Agent considers material to the determination of the applicable Settlement Price for the relevant Futures Contract or any other event occurs that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general (i) to effect transactions in, comply with clearing obligations or obtain market values for, the Futures Contract on the Exchange, or (ii) to effect transactions in, comply with clearing obligations or obtain market values for, the Futures Contract Underlier(s), and in each case the Determination Agent determines that such event is material in relation to the Warrants or Certificates;

"**Expiry Date**" means, in respect of a Futures Contract and each day that is a Reference Date or an Averaging Date, the expiry date of such Futures Contract on which the Futures Contract Sponsor announces, and the Exchange publishes, the "final settlement price" of such Futures Contract;

"**Failure to Announce or Publish**" means (a) the failure by the relevant Futures Contract Sponsor to announce or publish the Settlement Price; or (b) the failure by the relevant Exchange to publish the Settlement Price provided that, if either of (a) or (b) occurs and the Determination Agent determines that the failure of the other announcement or publication to occur is not material for the purposes of the Warrants or Certificates, then such circumstances shall not constitute a Failure to Announce or Publish;

"**Futures Contract**" means any futures contract specified in the applicable Pricing Supplement as a Futures Contract;

"**Futures Contract Sponsor**" means, in respect of a Futures Contract, the corporation or other entity which (a) is responsible for setting and reviewing the contract specifications, rules and procedures and methods of calculations and adjustments, if any, related to such Futures Contract; and (b) announces (directly or through an agent) the settlement price of such Futures Contract on a regular basis;

"**Futures Contract Underlier(s)**" means, in respect of a Futures Contract, the or each index, rate, asset or reference item underlying such Futures Contract as specified in the applicable Pricing Supplement;

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Warrants or Certificates, or (B) realise, recover or remit the proceeds of any such transactions or asset(s);

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Warrants or Certificates or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

"**Market Disruption Event**" means in respect of a Futures Contract, the occurrence or existence of (i) a Failure to Announce or Publish, (ii) a Trading Disruption, or (iii) an Exchange Disruption;

"**Observation Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Observation Date shall be determined in accordance with the provisions of Condition 13.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Reference Cut-Off Date**" means, in the case where Warrants or Certificates relate to a Futures Contract or a Basket of Futures Contracts and in respect of a Scheduled Reference Date for the purposes of Condition 13.1(b) (*Reference Dates, Averaging Dates and Market Disruption*), the

date falling the Specified Number of Scheduled Trading Days or the Specified Number of Common Scheduled Trading Days (as the case may be) following the Scheduled Reference Date, or if no such number is specified:

(a) if "Common Scheduled Trading Days and Common Disrupted Days" in respect of a Basket of Futures Contracts is specified to be applicable in the Pricing Supplement, the eighth Common Scheduled Trading Day following such Scheduled Reference Date; or

(b) in any other case, the eighth Scheduled Trading Day, or, in respect of a Basket of Futures Contracts, the eighth Scheduled Trading Day for the Affected Basket Component, following such Scheduled Reference Date;

"**Reference Date**" means, for the purposes of Condition 13.1 (*Reference Dates, Averaging Dates and Market Disruption*), each Valuation Date, Observation Date, Strike Date or Determination Date (as applicable) specified in the applicable Pricing Supplement, or otherwise, any date construed to be a Reference Date in accordance with the Conditions;

"**Relevant Futures Contract Benchmark**" means the Futures Contract or the Futures Underlier;

"**Scheduled Averaging Date**" means an original date (following any adjustment (if applicable) pursuant to paragraph (a) or (b) of the definition of "Averaging Date") that, but for such day being a Disrupted Day, would have been a Reference Date;

"**Scheduled Closing Time**" means in respect of an Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of regular trading session hours;

"**Scheduled Reference Date**" means, for the purposes of Condition 13.1 (*Reference Dates, Averaging Dates and Market Disruption*), any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Reference Date;

"**Scheduled Trading Day**" means any day on which each Exchange is scheduled to be open for trading for their respective regular trading sessions notwithstanding that any such Exchange may close prior to its Scheduled Closing Time;

"**Settlement Price**" means, in respect of a Futures Contract and any day, the official "daily settlement price" or "final settlement price" on such day (in each case, however defined in the contract specifications of such Futures Contract or the relevant Exchange);

"**Specified Number of Scheduled Trading Days**" means the number specified as such in the applicable Pricing Supplement;

"**Specified Number of Common Scheduled Trading Days**" means the number specified as such in the applicable Pricing Supplement;

"**Strike Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Strike Date shall be determined in accordance with the provisions of Condition 13.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Successor Futures Contract**" means, in respect of a Futures Contract, a successor futures contract using, in the determination of the Determination Agent, the same or a substantially similar formula for or method of calculation as used in the calculation of such Futures Contract;

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise relating to the Futures Contract on the Exchange, which the Determination Agent determines to be material in relation to the Warrants or Certificates;

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the Reference Date does not, or is not deemed to, occur; and

"**Valuation Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Valuation Date shall be determined in accordance with the provisions of Condition 13.1 (*Reference Dates, Averaging Dates and Market Disruption*).

14. Provisions relating to Property-Linked Securities

This Condition 14 (*Provisions relating to Property-Linked Securities*) is applicable in respect of any Series of Warrants or Certificates ("**Property-Linked Securities**") where "**Property-Linked Settlement Provisions**" are specified in the applicable Pricing Supplement as being applicable.

14.1 *Rebasing of the Property Index*

If the Determination Agent determines that an Index has been or will be Rebased at any time (the Property Index as so Rebased, the "**Rebased Property Index**"), the Rebased Property Index will be used for the purposes of determining the level of the Property Index from the date of such Rebasing, provided however, that the Determination Agent shall adjust the terms of the Warrants or Certificates so that the use of the Rebased Property Index reflects what would have been the performance of the Index had the Rebasing not occurred save that any such Rebasing shall not affect any prior payments under the Warrants or Certificates.

14.2 *Error in Publication*

If the Determination Agent determines that an Error in Publication has occurred with respect to the Property Index, the Determination Agent may (a) use the corrected level of the Property Index to make any relevant calculations and/or (b) make any necessary adjustments to the relevant Property Index Level and such other terms of the Warrants or Certificates as it in its reasonable discretion determines to be appropriate to account for such Error in Publication.

For these purposes:

An "**Error in Publication**" will occur if the Property Index Sponsor announces that an error has occurred with respect to the Property Index Level as published on any Publication Date; the Property Index Level for such Publication Date is corrected to remedy such error; and the correction is published by the Index Sponsor at any time prior to the next following Scheduled Publication Date or if earlier any relevant determination date. An Error in Publication will not include a routine revision in the level of the Index in a regularly scheduled republication of the Index.

14.3 *Determination Agent Unable to Perform Actions*

If it (a) is or would be unlawful at any time under any applicable law or regulation or (b) would contravene any applicable licensing requirements, for the Determination Agent to perform the actions prescribed in Condition 14.2 (*Error in Publication*), then the Issuer shall terminate the relevant Warrants or Certificates, which shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive payment of the Cash Settlement Amount pursuant to such exercise shall cease) and the Issuer will pay an amount in respect of each Warrant or Certificate which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

The Issuer's obligations under the relevant Warrants or Certificates shall be satisfied in full upon payment of such amount.

14.4 ***Notification of Inability to Perform Actions***

The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer, the Principal Securities Agent and the Securityholders of the occurrence of the event described in Condition 14.3 (*Determination Agent Unable to Perform Actions*) and of any action taken as a consequence, provided that any failure to give such notice shall not affect the validity of the foregoing.

14.5 ***Property Index Cancellation or Administrator/Benchmark Event Date***

If, for a Property Index and with respect to a Property Index Level, on or prior to the settlement date or early settlement date of the Warrants or Certificates, either (1) the Property Index Sponsor permanently cancels the Property Index and no Replacement Property Index exists (a "**Property Index Cancellation**") or (2) the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occurs in respect of such Property Index, then:

(i) If the applicable Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and if an Alternative Pre-nominated Index has been specified in relation to such Property Index in the applicable Pricing Supplement, then:

(A) the Determination Agent shall attempt to determine an Adjustment Payment;

(B) if the Determination Agent determines an Adjustment Payment,

(aa) it shall notify the Issuer of the Adjustment Payment and if the Adjustment Payment is an amount that the Securityholder would (but for Condition 14.5(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Security, request the Issuer to notify the Determination Agent whether it intends to terminate the Warrants or Certificates pursuant to Condition 14.8 (*Property Index Adjustment Event*). If the Issuer does not intend to terminate the Warrants or Certificates pursuant to Condition 14.8 (*Property Index Adjustment Event*) then the following provisions of this Condition 14.5(i) (*Property Index Cancellation or Administrator/Benchmark Event Date*) shall apply;

(bb) the terms of the Warrants or Certificates shall be amended so that references to the Property Index are replaced by references to the Alternative Pre-nominated Index;

(cc) the Conditions shall be adjusted to implement the Adjustment Payment as follows:

(a) if the Adjustment Payment is an amount that the Issuer is required to pay in respect of each Security, the Determination Agent shall adjust the Conditions to provide for the payment of the Adjustment Payment on the date on which the Warrants or Certificates are settled in full; or

(b) if the Adjustment Payment is an amount that the Securityholder would (but for this Condition 14.5(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Security, the Determination Agent shall adjust the Conditions to provide for the reduction of the amounts due by the Issuer until the aggregate amount of such reductions is equal to the Adjustment Payment, (subject, in the determination of the Determination Agent, to any minimum settlement amount of the Warrants or Certificates which the Determination Agent determines is required pursuant to any

applicable law or regulation (including, without limitation, any tax law) and the rules of each listing authority, stock exchange and/or quotation system by which the Warrants or Certificates have then been admitted to listing, trading and/or quotation);

(dd) the Determination Agent shall make such other adjustments to the Conditions as it determines necessary or appropriate in order to account for the effect of the replacement of the Property Index with the Alternative Pre-nominated Index and/or to preserve as nearly as practicable the economic equivalence of the Warrants or Certificates before and after the replacement of the Property Index with the Alternative Pre-nominated Index; and

(ee) the Determination Agent shall notify the Issuer, the Principal Securities Agent and the Securityholders of any replacement of the Property Index by the Alternative Pre-nominated Index, the Adjustment Payment and any other adjustments to the Conditions, giving summary details of the adjustment(s), provided that any failure to give such notice shall not affect the validity of the foregoing.

(C) If the Determination Agent is unable to determine an Adjustment Payment, then a Property Index Disruption Event shall be deemed to have occurred and Condition 14.8 (*Property Index Adjustment Event*) shall apply.

(ii) If the applicable Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable or, if the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Index in relation to the Relevant Property Index Benchmark, then a Property Index Disruption Event shall be deemed to have occurred and Condition 14.8 (*Property Index Adjustment Event*) shall apply.

14.6 ***Delay in Publication***

If the Property Index Level has not been announced by the Scheduled Publication Date or if earlier any relevant determination date, the following will apply:

(a) if the Property Index Sponsor publishes a provisional Property Index Level prior to the next Scheduled Publication Date or if earlier any relevant determination date, such provisional level of the Property Index for that Measurement Period shall apply for the purposes of the Warrants or Certificates; or

(b) if the Property Index Sponsor fails to publish the Property Index Level prior to the next occurring Scheduled Publication Date or if earlier any relevant determination date, in circumstances other than those described in Condition 14.5 (*Property Index Cancellation or Administrator/Benchmark Event Date*), a Property Index Disruption Event shall be deemed to have occurred and Condition 14.8 (*Property Index Adjustment Event*) shall apply.

14.7 ***Methodology Adjustment***

If the Property Index Sponsor announces that it has changed the methodology in calculating a Property Index and:

(a) continues publication of a property index based on the original methodology (the "**Replacement Property Index**"), such Replacement Property Index shall apply in lieu of the original Property Index in relation to the Warrants or Certificates; or

(b) discontinues publication of the Property Index based on the original Computational Methodology, a Property Index Disruption Event shall be deemed to have occurred and the procedure set out in Condition 14.8 (*Property Index Disruption Event*) shall apply.

14.8 ***Property Index Adjustment Event***

If:

(i) a Property Index Cancellation occurs and the Pricing Supplement does not specify that the Benchmark Trigger Provisions are applicable;

(ii) a Property Index Cancellation or an Administrator/Benchmark Event Date occurs in respect of a Property Index, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable but does not specify an Alternative Pre-nominated Index;

(iii) a Property Index Cancellation or an Administrator/Benchmark Event Date occurs in respect of a Property Index, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Index but the Determination Agent is unable to determine the Adjustment Payment;

(iv) a Property Index Cancellation or an Administrator/Benchmark Event Date occurs in respect of a Property Index, the Pricing Supplement specifies that the Benchmark Trigger Provisions are applicable and specifies an Alternative Pre-nominated Index and the Determination Agent determines that the Adjustment Payment would be an amount that the Securityholder would (but for Condition 14.5(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Security; or

(v) a Property Index Disruption Event occurs,

then the Issuer shall, in its reasonable discretion, determine whether or not the relevant Warrants or Certificates shall continue or be terminated early. If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, to preserve the economic value of the Warrants or Certificates. If the Issuer determines that the Warrants or Certificates shall be terminated early, then the relevant Warrants or Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive payment of the Cash Settlement Amount pursuant to such exercise shall cease) and the Issuer will pay an amount in respect of each Warrant or Certificate which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

The Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the exercise, settlement or payment terms of the relevant Warrants or Certificates and/or any other adjustment, which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Principal Securities Agent shall provide notice to the Securityholders of any such change or adjustment in accordance with Condition 27.8 (*Notices*), giving summary details of the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

14.9 ***Notification of Property Index Adjustment Event***

The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer, the Principal Securities Agent and the Securityholders of the occurrence of a Property

Index Adjustment Event and of any action taken as a consequence, provided that any failure to give such notice shall not affect the validity of the foregoing.

14.10 ***Additional Disruption Events***

(a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Warrants and Certificates shall continue or be redeemed early.

(b) If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the redemption, settlement, or payment terms of the relevant Warrants or Certificates and/or any other adjustment which change or adjustment shall be effective on such date as the Determination Agent shall determine.

(c) If the Issuer determines that the relevant Warrants or Certificates shall be terminated, then the Warrants or Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive payment of the Cash Settlement Amount pursuant to such exercise shall cease) as of such later date and the Issuer will pay an amount which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Principal Securities Agent and the Determination Agent of the occurrence of an Additional Disruption Event.

(e) For the purposes hereof:

"**Additional Disruption Event**" means, if specified as applicable in the applicable Pricing Supplement, with respect to any Series of Warrants or Certificates, a Change in Law, Hedging Disruption, Increased Cost of Hedging and any further event or events as may be specified in the applicable Pricing Supplement as an Additional Disruption Event with respect to such Warrants or Certificates.

14.11 ***Definitions Applicable to Property-Linked Securities***

In relation to Property-Linked Securities, the following expressions have the meanings set out below:

"**Adjustment Payment**" means, in respect of any Security, the payment (if any) determined by the Determination Agent as is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value to or from the Issuer as a result of the replacement of the Property Index by the Alternative Pre-nominated Index;

"**Change in Law**" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has become illegal to hold, acquire or dispose of Hedge Positions or (ii) it will incur a materially increased cost in performing its obligations with respect to the Warrants or Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Data Pool**" means the pool of properties underlying a Property Index.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (b) stock loan transactions or (c) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Warrants or Certificates;

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Warrants or Certificates, or (b) realise, recover or remit the proceeds of any such transactions or asset(s);

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Warrants or Certificates or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

"**Property Index**" means any index specified as such in the applicable Pricing Supplement;

"**Property Index Adjustment Event**" means, in respect of a Property Index, any of the events listed in Condition 14.8 (*Property Index Adjustment Event*);

"**Property Index Disruption Event**" means, in respect of a Property Index, either of the events described in Condition 14.6(b) (*Delay in Publication*) or Condition 14.7(b) (*Methodology Adjustment*);

"**Property Index Level**" means the final level of the relevant Property Index for a specified period or a specified date (as set out in the Pricing Supplement), as published by the Property Index Sponsor (or otherwise determined as set out in the applicable Pricing Supplement);

"**Publication Date**" means, in respect of an Index, each date on which such Property Index is published by the Property Index Sponsor;

"**Rebasing**" means the revaluation of a Property Index by the Property Index Sponsor by the application of a new Reference Price, without amendment to the formula for or the method of calculating the Index, and "Rebased" will be construed accordingly;

"**Reference Price**" means the historic value of the Data Pool used by the Property Index Sponsor as the benchmark for a Property Index; and

"**Relevant Property Index Benchmark**" means the Property Index;

"**Scheduled Publication Date**" means the date on which the Property Index Level is scheduled to be published.

15. Provisions relating to Fund-Linked Securities

This Condition 15 (*Provisions relating to Fund-Linked Securities*) is applicable in respect of any Series of Warrants or Certificates ("**Fund-Linked Securities**") where "**Fund-Linked Settlement Provisions**" are specified in the applicable Pricing Supplement as being applicable.

15.1 *Reference Dates, Averaging Dates and Market Disruption*:

(a) If a Reference Date is not a Fund Business Day, the relevant Reference Date shall be the next succeeding Fund Business Day or, if either "Common Fund Business Days and Common Disrupted Days" or "Common Fund Business Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, the next succeeding Common Fund Business Day.

(b) The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer of the occurrence of a Disrupted Day on any day that, but for the occurrence or continuance of a Disrupted Day, would have been a Reference Date.

(c) If any Reference Date is a Disrupted Day, then:

(i) in the case of Single Fund Securities, the relevant Reference Date shall be the next succeeding Fund Business Day that is not in the determination of the Determination Agent a Disrupted Day, unless no Fund Business Day that is not a Disrupted Day has occurred prior to the last Fund Business Day of the Cut-off Period following the Scheduled Reference Date. In that case, (i) the last Fund Business Day of such Cut-off Period shall be deemed to be the Reference Date, notwithstanding the fact that such Fund Business Day is a Disrupted Day, and (ii) the Determination Agent shall determine its good faith estimate of the value for the Fund Interest as of the Valuation Time on that deemed Reference Date; or

(ii) in the case of Fund Basket Securities:

(A) where "Individual Fund Business Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:

(1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and

(2) the Reference Date for any Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an "**Affected Basket Component**") shall be the first Fund Business Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component, unless no Fund Business Day that is not a Disrupted Day has occurred prior to the last Fund Business Day of the Cut-off Period following the Scheduled Reference Date. In that case, (i) the last Fund Business Day of such Cut-off Period shall be deemed to be the Reference Date, notwithstanding the fact that such Fund Business Day is a Disrupted Day, and (ii) the Determination Agent shall determine its good faith estimate of the value for that Affected Basket Component as of the Valuation Time on that deemed Reference Date;

(B) where "Common Fund Business Days and Common Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, then if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, the Reference Date for each Basket Component shall be the first Common Fund Business Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of any Basket Component, unless no Common Fund Business Day that is not a Disrupted Day has occurred prior to the last Fund Business Day of the Cut-off Period following the Scheduled Reference Date. In that case, (i) the last Fund Business Day of such Cut-off Period shall be deemed to be the Reference Date, notwithstanding the fact that such Fund Business Day is a Disrupted Day, and (ii) the Determination Agent shall determine its good faith estimate of the value for each Basket Component as of the Valuation Time on that deemed Reference Date;

(C) where "Common Fund Business Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:

(1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and

(2) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an "**Affected Basket Component**") shall be the first Fund Business Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component, unless no Fund Business Day for such Basket Component that is not a Disrupted Day has occurred prior to the last Fund Business Day of the Cut-off Period following the Scheduled Reference Date. In that case, (i) the last Fund Business Day of such Cut-off Period shall be deemed to be the Reference Date, notwithstanding the fact that such Fund Business Day is a Disrupted Day, and (ii) the Determination Agent shall determine its good faith estimate of the value for that Affected Basket Component as of the Valuation Time on that deemed Reference Date;

(d) If Averaging Dates are specified in the applicable Pricing Supplement with respect to a Reference Date then, notwithstanding any other provisions of the Conditions, the following provisions will apply to the valuation of the relevant Fund Security or Fund Basket Security in relation to the relevant Reference Date:

(i) If, in respect of Single Fund Securities, any Averaging Date in respect of a Reference Date is a Disrupted Day, then the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred prior to the Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Reference Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date), and (2) the Determination Agent shall determine its good faith estimate of the value for the Fund Interest as of the Valuation Time on that deemed Averaging Date; and

(ii) If, in the case of Fund Basket Securities, a Scheduled Averaging Date in respect of a Reference Date is determined by the Determination Agent to be a Disrupted Day in respect of any Basket Component, then:

(A) where "Individual Fund Business Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(2) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the first succeeding Valid Date in relation to such Affected Basket Component. If the first succeeding Valid Date has not occurred prior to the Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging

Date in respect of the relevant Scheduled Reference Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date notwithstanding the fact that such day may not be a Valid Date), and (2) the Determination Agent shall determine its good faith estimate of the value for that Affected Basket Component as of the Valuation Time on that deemed Averaging Date;

(B) where "Common Fund Business Days and Common Disrupted Days" is specified to be applicable in the applicable Pricing Supplement, then the Averaging Date for each Basket Component shall be the first succeeding Common Valid Date. If the first succeeding Common Valid Date has not occurred prior to the Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Reference Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date and notwithstanding the fact that such day may not be a Common Valid Date), and (2) the Determination Agent shall determine its good faith estimate of the value for each Basket Component as of the Valuation Time on that deemed Averaging Date;

(C) where "Common Fund Business Days and Individual Disrupted Days" is specified to be applicable in the applicable Pricing Supplement:

(1) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(2) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the first succeeding Valid Date in relation to such Affected Basket Component. If the first succeeding Valid Date has not occurred prior to the Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Reference Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date and notwithstanding the fact that such day may not be a Valid Date), and (2) the Determination Agent shall determine its good faith estimate of the value for that Affected Basket Component as of the Valuation Time on that deemed Averaging Date;

15.2 ***Potential Adjustment Events***

Following the declaration by any Fund or Fund Service Provider of the terms of any Potential Adjustment Event, the Determination Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Interest or amount of Fund Interest and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Cash Settlement Amount and/or any such other amounts payable under the Warrants or Certificates, the Reference Price and, in any case, any other variable relevant to the calculation, valuation, payment or other terms of Warrants or Certificates as the Determination Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and (b) determine the effective date(s) of the adjustment(s).

15.3 ***Corrections***

Unless occurring after the day falling three Business Days prior to a due date for any payment or delivery under the Warrants or Certificates calculated by reference to the value of, or proceeds received from, any Fund Interest, if the Determination Agent determines that a Fund or a Fund Administrator adjusts any relevant value of the Fund Interest, including the Reference Price or the Redemption Proceeds that would have been paid to a Hypothetical Investor redeeming the relevant number of Fund Interests that are subject to valuation used for determining amounts and/or assets due under the Warrants or Certificates, then the Determination Agent shall make such adjustments to the terms of the Warrants or Certificates as it determines necessary and practicable to reflect that the relevant value of the Fund Interest to be used shall be the value of, or proceeds received from, the relevant Fund Interest as so adjusted.

15.4 ***Fund Events***

(a) If at any time the Determination Agent acting in good faith and a commercially reasonable manner determines that a Fund Event has occurred and/or is continuing then the Determination Agent shall provide written notice thereof to the Issuer (a "**Fund Event Notice**"). The Determination Agent shall not have any obligation to monitor the occurrence of a Fund Event nor shall it have any obligation to make a determination that a Fund Event has occurred or is continuing.

(b) The Issuer will, in its reasonable discretion, determine:

(i) where Fund Event Unscheduled Termination is specified as applicable in the applicable Pricing Supplement, whether the relevant Warrants or Certificates shall be terminated other than on the scheduled Expiration Date. If the Issuer determines that the Warrants or Certificates shall be terminated, then the Warrants or Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive payment of the Cash Settlement Amount pursuant to such exercise shall cease) as of such later date and the Issuer will pay an amount which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount;

(ii) whether to substitute any Affected Fund Interest with the Successor Fund Interest relating to such Affected Fund Interest; and/or

(iii) whether to make such adjustment to account for such Fund Event as it considers appropriate which may include, without limitation:

(A) making an adjustment to the calculation of the Cash Settlement Amount and/or any such other amounts due under the Warrants or Certificates (which may include calculating a valuation (which may be zero) for the Affected Fund Interest and/or adjusting the weighting of the Affected Fund Interest in a Basket of Funds and/or deferring any relevant Determination Date until the circumstances giving rise to the relevant Fund Event are no longer continuing), all in the determination of the Determination Agent, acting in good faith and a commercially reasonable manner, and/or

(B) adjustments to any amount due in respect of the Warrants or Certificates to reflect (I) the Removal Value of the Affected Fund Interest instead of the Relevant Price of the Affected Fund Interest and (II) an amount determined by the Determination Agent in respect of interest (compounded on a daily basis) on the Removal Value of such Affected Fund Interest accrued at an overnight rate relating to the Settlement Currency selected by the Determination Agent during the period from (and including) the date on which the replacement of the Affected Fund Interest is effective to (but excluding) the Expiration Date.

Where it is required to determine a valuation of the Affected Fund Interest for the purposes of this Condition 15.4(b) (*Fund Events*) by reference to the Reference Price of the Affected Fund Interest, the Determination Agent shall determine the mechanics for calculating such valuation of the Affected Fund Interest (which valuation may be zero) by reference to such sources as it considers appropriate including, but not limited to, the value it may obtain from a third party on arms' length terms for the transfer to it of any hedging arrangements relating to the Warrants or Certificates in so far as they relate to such Affected Fund Interest. Any payments under the Warrants or Certificates determined by reference to the value of the Affected Fund Interest shall be suspended until payment of the Early Settlement Amount or, as the case may be, determination of the valuation of the Affected Fund Interest. The date of payment of the Early Settlement Amount (or the proportion thereof relating to the valuation of the Affected Fund Interest) or other relevant amount determined by reference to the Affected Fund Interest may fall on such commercially reasonable date after the scheduled Cash Settlement Payment Date as the Determination Agent considers necessary or appropriate to enable it to determine the relevant valuation subject to any Final Cut-off Date and provided that, if the Determination Agent is not able to determine such a value by reference to a Reference Price for an applicable deferred Determination Date or for such a transfer of any hedging arrangements to a third party by the scheduled Cash Settlement Payment Date or, if later, any Final Cut-off Date, it may deem the valuation to be zero.

The Principal Securities Agent shall provide notice to the Securityholders of any such adjustment in accordance with Condition 27.8 (*Notices*), giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

(iv) For the purposes of this Condition 15.4(b) (*Fund Events*):

(A) "Successor Fund Interest" means, in respect of any Affected Fund Interest, one or more funds that, in the determination of the Determination Agent:

(1) have a geographical and/or underlying reference asset strategy which, in the opinion of the Determination Agent, correlates with that of the Affected Fund Interest (taken together, in the case of a substitution of the Affected Fund Interest, with more than one funds);

(2) permit investors to subscribe for, sell to, or redeem the relevant shares, units or interests (howsoever expressed) therein on each fund business day at a value equal to the net asset value (howsoever described in the relevant fund documents) for such day by giving no more than two fund business days' notice and without the imposition of any subscription, sale, transfer or redemption fees, taxes or other charges (howsoever described) by such fund in respect of such subscription, sale or redemption, provided any such investor gives notice in accordance with the relevant procedures prescribed by the fund;

(3) have an equivalent liquidity profile to the Affected Fund Interest and have a Fund Reporting Date falling no later than close of business on the second Fund Business Day immediately following the relevant Fund Valuation Date;

(4) have a similar fee structure (including as to any rebate) to the Affected Fund Interest; and

(5) have an aggregate net asset value of at least 100,000,000 U.S. Dollars (or its equivalent in the Fund Interest Currency) or such other amount as specified in the applicable Pricing Supplement

as the Successor Fund Interest Minimum Aggregate NAV (or its equivalent in the Fund Interest Currency).

(B) the Affected Fund Interest shall be replaced by a number of units of the Successor Fund Interest with a combined value (as determined by the Determination Agent) equal to the relevant Removal Value of the applicable number of units of the Affected Fund Interest. Such replacement shall be effected, from time to time whenever the Removal Value changes, on the date, as determined by the Determination Agent, on which the Fund issuing the Successor Fund Interest would admit a Hypothetical Investor who, on the Fund Business Day next following the date on which any Removal Value not previously applied toward any Successor Fund Interest would be received by such Hypothetical Investor redeeming out of the relevant amount of Affected Fund Interest, had submitted a valid order to purchase such amount of the Successor Fund Interest; and

(C) if necessary, the Determination Agent will adjust any relevant terms, including, but not limited to adjustments to account for changes in the Fund Interest Currency, the Frequency of Fund Interest Valuations, volatility, investment strategy or liquidity relevant to such Fund Interests or the Warrants or Certificates.

15.5 ***Notice of Fund Event***

Notice of the consequences of a Fund Event shall be given to the Securityholders in accordance with Condition 27.8 (*Notices*). Such notice shall (a) identify the Affected Fund Interest (if applicable) and the relevant Fund Event and contain a summary of the facts constituting such event, (b) if applicable, identify the Successor Fund Interest and specify the effective date of such substitution, (c) if applicable, specify adjustments made or expected to be made by the Determination Agent and (d) if applicable, specify the date on which the Warrants or Certificates are to be redeemed.

15.6 ***Definitions applicable to Fund-Linked Securities***

In relation to Fund-Linked Securities, the following expressions shall have the meanings set out below:

"**Affected Fund Interest**" means, at any time, any Fund Interest in respect of which the Determination Agent has determined that a Fund Event has occurred;

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person (for such purposes, "**control**" of any entity or person means ownership of a majority of the voting power of the entity or person);

"**Averaging Date**" means, in respect of each Reference Date, either:

(a) in the case of (i) a Single Fund Security; or (ii) a Fund Basket Security, where the applicable Pricing Supplement provides that "Individual Fund Business Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Pricing Supplement, or, if such date is not a Fund Business Day, the next following Fund Business Day for such Fund or Basket Component (as the case may be); or

(b) in the case of a Fund Basket Security, where the applicable Pricing Supplement provides that "Common Fund Business Days and Common Disrupted Days" or "Common Fund Business Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Pricing Supplement, or if any such date is not a Common Fund Business Day, the next following Common Fund Business Day for such Basket of Funds,

provided that if any such day is a Disrupted Day, the Averaging Date shall be determined in accordance with the provisions of Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Basket Component**" means, in relation to a particular Series of Fund Basket Securities, each Fund Interest comprised in the relevant Basket of Funds;

"**Basket of Funds**" means a basket composed of such Fund Interests in such Funds specified in the applicable Pricing Supplement in the relative proportions or number of units of each Fund Interest specified in the applicable Pricing Supplement, subject to the provisions of Condition 15.4 (*Fund Events*);

"**Common Fund Business Day**" means, in respect of a Fund Basket Security, each day which is a Fund Business Day for all the Basket Components;

"**Common Valid Date**" means, in respect of a Fund Basket Security, a Fund Business Day that is not a Disrupted Day for any Basket Component and on which another Averaging Date in respect of the relevant Reference Date does not or is deemed not to occur;

"**Cut-off Period**" means, in respect of any date, the period specified in the applicable Pricing Supplement, or if no such period is specified, a period of the shorter of (a) eight Fund Business Days or, in the case of a Fund Basket Security, eight Common Fund Business Days; and (b) three months; provided that if a "Final Cut-off Date" is specified in the applicable Pricing Supplement, then any Cut-off Period that would otherwise end after such Final Cut-off Date shall end on such Final Cut-off Date;

"**Determination Date**" means, in relation to any determination, each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Fund Business Day and/or (ii) a Disrupted Day, the relevant Determination Date shall be determined in accordance with the provisions of Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Disrupted Day**" means any day on which a Market Disruption Event has occurred or is continuing;

"**Disruption Event**" means any of the following events as determined by the Determination Agent:

(a) in respect of any Fund Interest, the failure of (i) a Scheduled Fund Valuation Date to be a Fund Valuation Date or any continued postponement or suspension of such Fund Valuation Date; and/or (ii) there to be a Fund Reporting Date and/or Reported Net Asset Value relating to the relevant Fund Valuation Date;

(b) in respect of any Fund Interest (i) there is a failure by the Fund to pay the full amount (whether expressed as a percentage or otherwise) of the Redemption Proceeds in the Fund Interest Currency with respect to the relevant amount of such Fund Interest scheduled to have been paid on or by such day according to the Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of such Fund Interests) or (ii) a Hypothetical Investor which had submitted a valid redemption notice in respect of such Fund Interest (in the case of a Single Fund Security) or each Fund Interest comprised in the Basket of Funds (in the case of a Fund Basket Security) on the last date permitted pursuant to the relevant Fund Documents would, in the reasonable opinion of the Determination Agent, not have received in full the Redemption Proceeds in respect of such redemption(s) on or before the date which is three Business Days prior to a related scheduled date for payment under the Warrants or Certificates;

(c) the inability (including by reason of illegality) of, or the impracticability for, a Hedging Party to (i) unwind or dispose of any transaction it has entered into, or any asset it holds, in either case for the purpose of hedging its exposure to price variations of the Fund Interest (in the case of Single Fund Securities) or the Basket of Funds (in the case of Fund Basket Securities) inherent in its obligations, in the case of the Issuer, under the Warrants

or Certificates or, in the case of an Affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Fund Interest (in the case of Single Fund Securities) or the Basket of Funds (in the case of the Fund Basket Securities) under the Warrants or Certificates when scheduled or at all (including any change to the notice period for redemptions, transfers or subscriptions of a Fund Interest under the Fund Documents, any gating, side-pocketing or other arrangement affecting such a Hedging Party), or (ii) realise, recover or remit to any person the proceeds of any such transaction or asset; and/or

(d) any closure other than for ordinary public holidays and/or any restriction or suspension in trading of foreign exchange markets or money markets in a relevant Fund Interest Currency or Specified Currency that, in the opinion of the Determination Agent, would have a material effect on the ability market participants to effect transactions in such markets,

provided that if any event would otherwise be both a Disruption Event and Fund Event, such event shall be treated solely as a Fund Event;

"**Exchange**" means, in respect of a Fund Interest, the principal exchange or quotation system for such Fund Interest, as determined by the Determination Agent, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which the Fund Interest has temporarily relocated;

"**Extraordinary Dividend**" means an amount per relevant Fund Interest specified or otherwise determined by the Determination Agent;

"**Final Cut-off Date**" means the date specified as such in the applicable Pricing Supplement;

"**Frequency of Fund Interest Valuation**" means, in respect of a Fund Interest, the frequency of occurrence of a Fund Business Day for such Fund Interest as determined by reference to the Fund Documents in effect on the Trade Date;

"**Fund**" means, in respect of any Fund Interest, the issuer of, or other legal arrangement (including, if applicable, any relevant class or series) giving rise to, the relevant Fund Interest as specified in the applicable Pricing Supplement;

"**Fund Administrator**" means, in respect of any Fund and the related Fund Interest, any fund administrator, manager, trustee or similar person responsible for the administration of such Fund and the determination and reporting of any official price or value of such Fund according to the Fund Documents or any successor acceptable to the Determination Agent;

"**Fund Advisor**" means any person appointed in the role of discretionary investment manager or non-discretionary investment advisor (including a non-discretionary investment advisor to a discretionary investment manager or to another non-discretionary investment advisor) for such Fund and/or a Fund Administrator and/or any other person(s) designated in the Fund Documents as responsible for the oversight of the Fund, or any successor to any such person acceptable to the Determination Agent;

"**Fund Business Day**" means, in respect of any Fund Interest and the related Fund, either (a) where the Reference Price for such Fund Interest is "Reported Net Asset Value", each of a Scheduled Fund Valuation Date and any day on which the Fund or the primary Fund Administrator acting on behalf of the Fund is scheduled to effect subscription and redemption requests or (b) where the Reference Price for such Fund Interest is "Redemption Proceeds", a Scheduled Redemption Valuation Date;

"**Fund Documents**" means, in respect of any Fund and the related Fund Interest, the constitutive and governing documents, subscription agreements and other agreements of the related Fund specifying the terms and conditions relating to such Fund Interest (including, without limitation, the prospectus, information memorandum or other offering document issued by such Fund in

connection with such Fund Interest), in each case and unless where otherwise specified, as amended and/or supplemented from time to time;

"**Fund Event**" means in the determination of the Determination Agent, the occurrence or announcement by the Fund or a Fund Service Provider at any time of any of the following events unless any such event is specified in the applicable Pricing Supplement as a Non-Applicable Fund Event:

(a) *Nationalisation*: in respect of a Fund Interest and the related Fund, all the Fund Interests or all or substantially all the assets of the Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

(b) *Fund Insolvency Event*: in respect of a Fund Interest and the related Fund (i) the Fund and/or any Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (A) through (E) above; or (without prejudice to the foregoing) (ii) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (A) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Fund Interests of that Fund become legally prohibited from transferring them;

(c) *NAV Trigger/Restriction Event*: in respect of any Fund Interest, (A) the Reported Fund Interest Value as of the last Fund Valuation Date of any month has decreased by a percentage equal to, or greater than, fifty per cent. of the Reported Fund Interest Value as of the Fund Valuation Date of the same month in the immediately preceding calendar year (or, if the first year of operation of the relevant Fund Interest, as of its highest Reported Fund Interest Value on the last Fund Valuation Date of any month during such first year); or (B) the related Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;

(d) *Fund Advisor Event*: in respect of any Fund Interest, as determined by the Determination Agent, (a) that at any time after the Trade Date, the total value of the assets managed by

the relevant Fund Adviser (including in relation to the Fund) is equal to or less than 50,000,000 U.S. Dollars (or its equivalent) or (b) that over any period of twelve months, the total value of the assets managed by the relevant Fund Adviser (including in relation to the Fund) has decreased by fifty per cent. (whether due to redemptions or decrease in the value of such assets or otherwise) (c) any material breach by the Fund Adviser (or any of its Affiliates) of any Relevant Hedging Transaction between it and a Hedging Party;

(e) *Changes to Fund or Fund Service Providers*: in respect of any Fund Interest and the related Fund: (i) any change in the organisation of the Fund or of any Fund Service Provider without the prior written consent of the Determination Agent including, without *limitation*, a change of control of, or a change of the main shareholders, managing directors or individual(s) designated as fund manager(s) in the Fund Documents as at the Trade Date (if any) of a Fund Service Provider, (ii) any Fund Service Provider ceasing to act in the relevant capacity in relation to the Fund unless immediately replaced in such capacity by a successor acceptable to the Determination Agent or (iii) any delegation or transfer by the Fund Advisor of any of its powers, duties or obligations under the Fund Documents to a third party without the prior written consent of the Determination Agent;

(f) *Fund Modification*: in respect of any Fund Interest, any change, modification or termination of the related Fund Documents or of any rights attaching to the related Fund Interests (including without limitation any change or modification affecting management policy, the Fund Interest Currency, the Frequency of Fund Interest Valuation, the terms relating to subscription, transfer and/or redemption of such Fund Interest including any change to the form or schedule of payment or notice period) from those prevailing on the Trade Date (in the case of Single Fund Securities) or the date on which any Fund Interest issued by such Fund was first included in the Basket of Funds (in the case of Fund Basket Securities) and which could reasonably be expected to affect the value of such Fund Interest;

(g) *Strategy Breach*: in respect of any Fund Interest, as determined by the Determination Agent, any material breach of or non-compliance with any investment objective, investment restrictions or other strategy or investment guidelines or requirements, subscription and redemption provisions (including, without limitation, the days treated as Fund Business Days) or valuation provisions (including, without limitation, the method of determining the net asset value of the relevant Fund Interest), in each case as set out in the Fund Documents as in effect on the Trade Date or, if later, the date on which such Fund Interest was first included in the Basket of Funds (in the case of Fund Basket Securities);

(h) *Breach by Fund Service Provider*: in respect of any Fund Interest, the breach by any relevant Fund Service Provider of any obligation (including, without limitation, non-compliance with any investment guidelines relating to such Fund Interest), representation or warranties concerning the relevant Fund (including, without limitation, pursuant to any agreement with the Fund), which breach, if capable of remedy, has not been remedied within ten (10) calendar days of its occurrence;

(i) *Regulatory Event*: (A) in respect of any Fund Interest, (1) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund Advisor that is reasonably likely to have an adverse impact on the value of such Fund Interest or on any investor therein (as determined by the Determination Agent) or (2) the related Fund or any of its Fund Service Providers becoming subject to any investigation, proceeding, arbitration, litigation or official action by any relevant governmental, legal or regulatory authority involving the alleged violation of, or non-compliance with, applicable law or regulation in relation to any activities relating to or resulting from the operation of such Fund or another fund where, in the opinion of the Determination Agent, such circumstances may have an adverse effect on the relevant Fund or (B) any event which would have the effect of: (i) imposing on the Issuer and/or any Affiliate or adversely modifying any reserve, funding arrangement, special deposit, or similar requirement that would be applicable to the Issuer and/or such Affiliate in relation to the Warrants or Certificates or any related hedging arrangement or (ii) changing the amount or cost of

regulatory capital that would have to be maintained by the Issuer and/or any Affiliate in relation to the Warrants or Certificates or any related hedging arrangement, including, without limitation, any requirement under applicable law, regulation or other rule or requirement from time to time applicable to the Issuer and/or any Affiliate that requires any information-provision or other transparency requirements in respect of a Fund Interest, whether to keep constant the cost of regulatory capital that would have to be maintained by any such person in relation to the Warrants or Certificates or otherwise comply therewith, and the relevant Fund Service Provider fails to provide sufficient information in respect of a Fund Interest for any such person to satisfy such relevant obligations or (C) in respect of any Fund Interest and the related Fund (i) the withdrawal, cancellation, suspension or revocation of any registration, licence or approval of such Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund; (ii) the withdrawal, suspension, cancellation or modification of any licence, consent, permit, authorisation or clearance required for the Fund or any one or more of its significant Fund Service Providers to carry out their activities as they are or should be carried out in compliance with applicable law or regulation; and/or (iii) the failure of such Fund Interest and/or the related Fund to comply with any applicable requirements from time to time applied by any relevant listing authority, stock exchange, quotation system and/or regulator that allow it to be used to determine amounts due under the Warrants or Certificates (or, in the case of (C)(i), (ii) or (iii), any official announcement indicating that any such circumstances may occur);

(j) *Reporting Disruption*: in respect of any Fund Interest, (A) the occurrence of any event affecting such Fund Interest that, in the determination of the Determination Agent, would make it impossible or impracticable for the Determination Agent to determine the value of such Fund Interest and the Determination Agent does not expect such event to cease in the foreseeable future; (B) any failure of the related Fund to deliver, or cause to be delivered, or recipients in general to receive (1) information that such Fund has agreed to deliver, or cause to be delivered to the Determination Agent, the Issuer and/or any Hedging Party, as applicable, or (2) information that has been previously delivered to the Determination Agent, the Issuer and/or any Hedging Party, as applicable, in accordance with such Fund's, or its authorised representative's, normal practice and that the Determination Agent deems necessary for it or the Issuer, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Interest; (C) the related Fund ceases, for any reason whatsoever (either directly or through any Fund Service Provider acting on its behalf for this purpose) to provide, publish or make available its net asset value on any Fund Reporting Date; or (D) a Fund Service Provider informs the Determination Agent, the Issuer and/or any Hedging Party that any Reported Net Asset Value of such Fund Interest should not be relied on (whether by reason of it being only a provisional or estimated net asset value or for any other reason) and/or, in the opinion of the Determination Agent, any Reported Net Asset Value is inaccurate (which, for the avoidance of doubt, includes without limitation circumstances where any net asset value reported by a Fund Service Provider to the Issuer, any Hedging Party and/or investors in Fund Interest generally differs from any net asset value published on any one or more publishing service), in each case which the Determination Agent considers to be material to the Warrants or Certificates;

(k) *Compulsory Redemption or Assignment*: in respect of any Fund Interest, (i) the repurchase or redemption by the Fund of all or some of the Fund Interests otherwise than at the request of a holder of Fund Interests; or (ii) any event or circumstance (whether or not in accordance with the constitutive documents and investment guidelines of the Fund) which would mandatorily oblige a holder of Fund Interests to redeem, sell, assign or otherwise dispose of any Fund Interests and which the Determination Agent determines could affect a Hypothetical Investor;

(l) *Closure to Subscriptions*; *Dealing Restrictions*: in respect of any Fund Interest, (i) the closure of the related Fund to new subscriptions of Fund Interests, or (ii) the imposition of any dealing restrictions (including, without limitation, material amendments to relevant documentation, delay (partial or otherwise), suspension or termination (partial or otherwise) of subscription, redemption or settlement) relating to the Fund or transactions

in Fund Interests by any Fund Service Provider, any Affiliate or agent of any Fund Service Provider, or any intermediary platform through which the Issuer or its Affiliates may contract (via a trading agreement or otherwise) in order to carry out transactions in Fund Interests;

(m) *Disposals*: Material Change: Merger: in respect of any Fund Interest, (i) a disposal to any person(s) of all, or a material part, of the assets of (A) the related Fund, or (B) any significant Fund Service Provider; or (ii) a material change in the business of the Fund or any significant Fund Service Provider, or (iii) the merger, amalgamation or consolidation of the related Fund and/or such Fund Interest with (1) any other sub-fund or compartment of the Fund or (2) any other collective investment undertaking (or sub-fund or compartment of such other collective investment undertaking, including another fund), which, in either case, may, in the determination of the Determination Agent, have an adverse effect on the Fund;

(n) *Hedging Disruption*: any of the following:

(i) the Determination Agent reasonably determines that the Issuer or any Affiliate (a "**Hedging Party**") is unable (including without limitation by reason of illegality), or that it is impracticable for a Hedging Party, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) (each a "**Relevant Hedging Transaction**") such Hedging Party deems necessary or appropriate to hedge its exposure to price variations of the Fund Interest (in the case of Single Fund Securities) or the Basket of Funds (in the case of Fund Basket Securities) inherent in its obligations, in the case of the Issuer, under the Warrants or Certificates or, in the case of an Affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Fund Interest (in the case of Single Fund Securities) or the Basket of Funds (in the case of Fund Basket Securities)under the Warrants or Certificates, or (B) realise, recover or remit to any person the proceeds of such transaction or asset; and/or

(ii) the Determination Agent reasonably determines that it has become illegal for any Hedging Party to hold, acquire or dispose of Fund Interests relating to the Warrants or Certificates; and/or

(iii) the Determination Agent reasonably determines that the Issuer would incur an increased cost in respect of the Relevant Hedging Transactions related to the performance of its obligation under the Warrants or Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); and/or

(iv) the Determination Agent reasonably determines that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Relevant Hedging Transaction, or (B) realise, recover or remit the proceeds of any such Relevant Hedging Transaction; unless any such materially increased amount is incurred solely due to the deterioration of the creditworthiness of the Hedging Party,

(v) and such determinations by the Determination Agent may include, but are not limited to, the following: (A) any increased illiquidity in the market for the Fund Interest (in the case of Single Fund Securities) or the Basket of Funds (in the case of Fund Basket Securities) (as compared with circumstances existing on the Trade Date); or (B) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or (C) the general unavailability of market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms;

(o) *Fraud*: in respect of any Fund Interest and the related Fund, the Fund is the object of a material fraud which may, in the determination of the Determination Agent, have an adverse effect on the Fund or the value of Fund Interests; or any act or omission of a Fund Service Provider constitutes fraud (including, but not limited to, theft, misappropriation, mispricing of holdings or concealment of trades), bad faith, wilful misconduct or negligence, as determined by the Determination Agent in its reasonable discretion;

(p) *Force Majeure Event*: in respect of any Fund Interest and the related Fund, any Fund Service Provider fails to perform any of its obligations pursuant to the Fund Documents to the extent that such performance is prevented, hindered or delayed by a Force Majeure Event, where "**Force Majeure Event**" means any event due to any cause beyond the reasonable control of the applicable Fund Service Provider, such as unavailability of communications system, failure of or interruptions in power supply or network computer systems, sabotage, fire, flood, explosion, acts of God, civil commotion, riots, insurrection or war;

(q) *Value Limitation*: the value of any Fund Interest held by the Issuer and its Affiliates is greater than 10 per cent. of the aggregate net asset value of the relevant Fund (whether or not all of such holding results from hedging transactions entered into in connection with the Warrants or Certificates) and including, where the excess holding results from a reduction in the aggregate net asset value of the relevant Fund;

(r) *Delisting*: in respect of a Fund Interest, where there is or was intended to be an Exchange in respect of such Fund Interest that (A) such Exchange announces that pursuant to the rules of such Exchange, such Fund Interests cease (or will cease) being listed or publicly quoted on the Exchange for any reason and are not immediately re listed or re quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any Member State of the European Union), or (B) such Fund Interests are never so listed or quoted as intended and disclosed in the Fund Documents as at the Trade Date;

(s) *Fund Accounting Event*: in respect of a Fund Interest and the related Fund, any (i) change in the currency in which the Fund Interest's accounts are denominated; or (ii) material adverse change in the accounting treatment of the Fund which does or could affect a Hypothetical Investor and/or a Hedging Party and/or any actual or potential requirement to consolidate its accounts with any such entity;

(t) *Fees or Charges Event*: in respect of a Fund (i) any charge of a transaction fee for subscription or redemption of Fund Interests; (ii) any imposition of any taxes or similar charges for subscription or redemption of Fund Interests (whether by the Fund or a Fund Adviser in respect of holders of Fund Interests generally or otherwise occurring in respect of any Hedging Party) and/or (iii) any material change in the applicable fee arrangement between a Fund Adviser and a Hedging Party (as compared with that arrangement as of the Trade Date), including the increase to the existing level of, or introduction of any new, fees, commissions or other expenses payable to any person, in each case as determined by the Determination Agent; and/or

(u) *Additional Fund Event*: any other event(s) specified as Fund Events in the applicable Pricing Supplement;

"**Fund Event Notice**" has the meaning given to that term in Condition 15.4 (*Fund Events*);

"**Fund Interest**" means, in respect of a Fund, a share, unit or other interest in respect of such Fund, as specified in the applicable Pricing Supplement;

"**Fund Interest Currency**" means, in respect of a Fund Interest, the currency in which such Fund Interest is denominated on the Trade Date as set out in the Fund Documents;

"**Fund Reporting Date**" means, in respect of a Fund Interest and a Fund Valuation Date, the date on which the Reported Fund Interest Value of such Fund Interest as determined as of such Fund Valuation Date is reported (as provided in the definition of "Reported Fund Interest Value");

"**Fund Service Provider**" means, in respect of a Fund, any person who is appointed to provide services, directly or indirectly, to that Fund, whether or not specified in the Fund Documents or any successor acceptable to the Determination Agent, including without limitation any Fund Adviser, Fund Administrator, operator, management company, depositary, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent;

"**Fund Valuation Date**" means, in respect of a Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) determines the value of such Fund Interest or, if the related Fund only reports its aggregate net asset value, the date as of which such Fund determines its aggregate net asset value;

"**Hedging Party**" has the meaning given in the definition of "**Fund Event**" above;

"**Hypothetical Investor**" means, in respect of a Fund Interest, a hypothetical investor in such Fund Interest deemed to have (a) the benefits and obligations, as provided under the Fund Documents, of an investor holding, as of the Trade Date, an interest in the relevant Fund in an amount equal to the relevant number or relevant amount of such Fund Interest; (b) in the case of any deemed redemption of such Fund Interest, to have submitted to the relevant Fund on the relevant Redemption Notice Date, a duly completed notice requesting redemption of the relevant number of such Fund Interests; and (c) in the case of any deemed investment in such Fund Interest, to have submitted, on the Trade Date, a duly completed notice to the relevant Fund, requesting subscription to the relevant number of Fund Interests;

"**Observation Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Fund Business Day and/or (ii) a Disrupted Day, the relevant Observation Date shall be determined in accordance with the provisions of Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Potential Adjustment Event**" means, in respect of any Fund Interest, any of the following events in the determination of the Determination Agent:

(a) a subdivision, consolidation or reclassification of the relevant amount of Fund Interest, or a free distribution or dividend of any such Fund Interest to existing holders by way of bonus, capitalisation or similar issue;

(b) a distribution, issue or dividend to existing holders of the relevant Fund Interest of (i) an additional amount of such Fund Interest, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Fund equally or proportionately with such payments to holders of such Fund Interest, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Fund as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Determination Agent;

(c) an Extraordinary Dividend;

(d) a repurchase by the Fund of relevant Fund Interests whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interests initiated by an investor in such Fund Interests; or

(e) any other event having, in the opinion of the Determination Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Fund Interests;

"**Redemption Notice Date**" means, in respect of a Fund Interest and a Reference Date or Averaging Date, the date specified as such in the applicable Pricing Supplement or, if no date is so specified, the last date on which a Hypothetical Investor in such Fund Interest would be permitted, pursuant to the Fund Documents of the related Fund, to submit a redemption notice that would be timely for a redemption as of the Scheduled Redemption Valuation Date for which the Scheduled

Redemption Payment Date falls on or immediately prior to such Reference Date or Averaging Date;

"**Redemption Proceeds**" means, in respect of the relevant amount of any Fund Interest, the redemption proceeds that in the determination of the Determination Agent would be paid by the related Fund to a Hypothetical Investor who, as of the relevant Redemption Valuation Date, redeems such amount of Fund Interest (for the avoidance of doubt after deduction of any tax, levy, charge, assessment or fee of any nature that, in the determination of the Determination Agent, would (or would be very likely to) be withheld or deducted from such amount); provided that (a) any such proceeds that would be paid in property other than cash shall be deemed to have a value of zero and (b) if the Hypothetical Investor would be entitled to elect payment of such redemption proceeds to be made either in the form of cash or other property, then the Hypothetical Investor shall be deemed to have elected cash payment;

"**Redemption Valuation Date**" means, in respect of a Fund Interest and any Scheduled Redemption Valuation Date, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) determines the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid notice for redemption on or before the related Redemption Notice Date;

"**Reference Date**" means, for the purposes of Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*), each Valuation Date, Observation Date, Strike Date or Determination Date (as applicable) specified in the applicable Pricing Supplement, or otherwise, any date construed to be a Reference Date in accordance with the Conditions;

"**Reference Price**" means, in respect of a Fund Interest and the Valuation Time on any Valuation Date or Averaging Date, either (a) where "Reported Net Asset Value" is specified in the applicable Pricing Supplement for such Fund Interest, the Reported Net Asset Value of such Fund Interest for the related Fund Valuation Date falling on such Reference Date or Averaging Date, as the case may be; or (b) where "Redemption Proceeds" is specified in the applicable Pricing Supplement for such Fund Interest, an amount equal to the Redemption Proceeds relating to such Fund Interest that in the determination of the Determination Agent would be received by a Hypothetical Investor in such Fund Interest in respect of a redemption of Fund Interests to be effected as of the Scheduled Redemption Valuation Date relating to such Reference Date or Averaging Date, as the case may be;

"**Removal Value**" means, in respect of an Affected Fund Interest, the value calculated by the Determination Agent in the same manner as would be used in determining the Reference Price of Fund Interests in the related Fund, but assuming where the Reference Price is Redemption Proceeds that a valid notice requesting redemption of Fund Interests in such Fund has been submitted to such Fund on the Fund Business Day next following delivery of the relevant Fund Event Notice and, where the Removal Value is required to be converted into the Settlement Currency or the currency of the Successor Fund Interest it shall be so converted by the Determination Agent at such time and by reference to such sources as it deems appropriate;

"**Reported Net Asset Value**" means, in respect of any Fund Interest and a Fund Reporting Date relating to such Fund Interest, the official net asset value per Fund Interest as of the related Fund Valuation Date or, if the related Fund reports only its aggregate net asset value, the portion of such Fund's aggregate net asset value relating to a Fund Interest as of the related Fund Valuation Date, in each case as reported on the Fund Reporting Date relating to such Fund Valuation Date by the Fund Service Provider that generally reports such value on behalf of the Fund to its investors or a publishing service;

"**Scheduled Averaging Date**" means an original date (following any adjustment (if applicable) pursuant to paragraph (a) or (b) in the definition of "Averaging Date") that, but for such day being a Disrupted Day, would have been an Averaging Date;

"**Scheduled Fund Valuation Date**" means, in respect of a Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other

provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the value of such Fund Interest or, if the related Fund only reports its aggregate net asset value, the date as of which such Fund determines its aggregate net asset value;

"**Scheduled Redemption Payment Date**" means, in respect of a Fund Interest and any Scheduled Redemption Valuation Date, the date by which the related Fund is scheduled to have paid, according to its Fund Documents, all or a specified portion of the Redemption Proceeds to an investor that has submitted a timely and valid notice requesting redemption of such Fund Interest as of such Scheduled Redemption Valuation Date;

"**Scheduled Redemption Valuation Date**" means, in respect of a Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of such Fund Interest for the purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date; the Scheduled Redemption Valuation Date relating to any Reference Date or Averaging Date, as the case may be, shall be the date specified as such in the applicable Pricing Supplement or, if no such date is specified, the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Reference Date or Averaging Date, as the case may be;

"**Scheduled Reference Date**" means, for the purposes of Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*), any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Reference Date;

"**Strike Date**" means such date as specified in the applicable Pricing Supplement, provided that if any such date is (i) not a Fund Business Day and/or (ii) a Disrupted Day, the relevant Strike Date shall be determined in accordance with the provisions of Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*);

"**Valid Date**" means a Fund Business Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Reference Date does not or is not deemed to occur;

"**Valuation Date**" means each date specified as such in the applicable Pricing Supplement, provided that if any such date is (i) not a Fund Business Day and/or (ii) a Disrupted Day, the relevant Valuation Date shall be determined in accordance with the provisions of Condition 15.1 (*Reference Dates, Averaging Dates and Market Disruption*); and

"**Valuation Time**" means the time on or in respect of the Reference Date or Averaging Date at which the applicable Reference Price is scheduled to be determined in accordance with the Fund Documents.

16. Provisions relating to Bond-Linked Securities

This Condition 16 (*Provisions relating to Bond-Linked Securities*) is applicable in respect of any Series of Warrants or Certificates ("**Bond-Linked Securities**") where "**Bond-Linked Settlement Provisions**" are specified in the applicable Pricing Supplement as being applicable.

16.1 *Conversion*

(a) Following the occurrence of any Conversion, the Issuer will, in its reasonable discretion, determine whether or not the Warrants or Certificates will continue and, if so, the Determination Agent will determine, in its reasonable discretion, any adjustments to be made.

(b) If the Issuer determines that the Warrants or Certificates shall continue, the Determination Agent may make such adjustment as it, in its reasonable discretion considers appropriate, to the Strike Price, the formula for the Cash Settlement Amount set out in the applicable Pricing Supplement, the Bond Security Entitlement, the number of Underlying Securities to which each Warrant or Certificate relates, the number of Underlying Securities comprised in a Basket, the amount, number

of or type of bonds or other debt securities which may be delivered under such Warrants or Certificates and, in any case, any other variable relevant to the exercise, settlement, or payment terms of the relevant Warrants or Certificates and/or any other adjustment and determine, in its reasonable discretion, the effective date(s) of such adjustment.

(c) If the Issuer determines that the Warrants or Certificates shall be terminated, then the Warrants or Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive Underlying Securities or the Cash Settlement Amount, as the case may be, pursuant to such exercise, shall cease) and the Issuer's obligations under the Warrants or Certificates shall be satisfied in full upon payment of the Conversion Settlement Amount.

(d) For the purposes hereof:

"**Conversion**" means, as determined by the Determination Agent, acting in a commercially reasonable manner, in respect of any relevant Underlying Securities any irreversible conversion by the Underlying Security Issuer, of such Underlying Securities into other securities.

"**Conversion Settlement Amount**" means an amount which the Determination Agent, acting in a commercially reasonable manner, determines is the fair market value to the Securityholder of a Warrant or Certificate with terms that would preserve the economic equivalent of any payment or delivery (assuming satisfaction of each applicable condition precedent) to which the Securityholder would have been entitled under the Warrant or Certificate but for the occurrence of the Conversion, less the proportion attributable to that Warrant or Certificate of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion.

16.2 ***Correction to published prices***

For the purposes of determining the Spot Price for any day, if applicable, as specified in the applicable Pricing Supplement for the purposes of calculating the Cash Settlement Amount or any other amount in respect of a Bond-Linked Security, if the price published or announced on a given day and used or to be used by the Determination Agent to determine a Spot Price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement by such time as may be specified in the applicable Pricing Supplement (or, if none is so specified, within thirty days of the original publication or announcement, and the Determination Agent determines (in its reasonable discretion) that an amount is repayable to the Issuer as a result of that correction, the Issuer shall be entitled to reimbursement of the relevant payment by the relevant Securityholder, together with interest on that amount at a rate per annum equal to the cost (without proof or evidence of actual cost) to the Issuer of funding that amount for the period from and including the day on which a payment originally was made, to but excluding the day of payment of the refund or payment resulting from that correction (all as determined by the Determination Agent in its reasonable discretion). Any such reimbursement shall be effected in such manner as the Issuer shall agree with the Principal Securities Agent and shall be notified to the relevant Securityholder(s) by facsimile or telex to the number specified in the relevant Exercise Notice.

16.3 ***Additional Disruption Events***

(a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Warrants and Certificates shall continue or be redeemed early.

(b) If the Issuer determines that the relevant Warrants or Certificates shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the redemption, settlement, or payment terms of the relevant Warrants or Certificates and/or any other adjustment which change or adjustment shall be effective on such date as the Determination Agent shall determine.

(c) If the Issuer determines that the relevant Warrants or Certificates shall be terminated, then the Warrants or Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive the Underlying Securities or payment of the Cash Settlement Amount, as the case may be, pursuant to such exercise shall cease) as of such later date and the Issuer will pay an amount which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Principal Securities Agent and the Determination Agent of the occurrence of an Additional Disruption Event.

(e) For the purposes hereof:

"**Additional Disruption Event**" means with respect to any Series of Warrants or Certificates (unless otherwise specified in the applicable Pricing Supplement) a Change in Law, Hedging Disruption, Increased Cost of Hedging and any further event or events as may be specified in the applicable Pricing Supplement as an Additional Disruption Event with respect to such Warrants or Certificates.

16.4 **In relation to Bond-Linked Securities, the following expressions have the meanings set out below:**

"**Change in Law**" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has become illegal to hold, acquire or dispose of Hedge Positions or (ii) it will incur a materially increased cost in performing its obligations with respect to the Warrants or Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Exchange**" means each securities exchange or trading market specified as such in the applicable Pricing Supplement (including any successor to that securities exchange or trading market) for so long as the Underlying Securities are listed or otherwise included in that securities exchange or trading market. If the specified Exchange ceases to list or otherwise include the Underlying Securities and the Underlying Securities are listed or otherwise included in any other securities exchange or trading market, the Determination Agent will, in its reasonable discretion, select an alternative securities exchange or trading market;

"**Exchange Business Day**" means, in respect of any Bond-Linked Security, any day that is a trading day on the Exchange (or on each Exchange if more than one is specified) other than a day on which trading on the Exchange is scheduled to close prior to its regular weekday closing time;

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (b) stock loan transactions or (c) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Warrants or Certificates;

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Warrants or Certificates, or (b) realise, recover or remit the proceeds of any such transactions or asset(s);

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Warrants or Certificates or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) provided that any such materially increased

amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

"**Spot Price**" means, in respect of any Bond-Linked Security:

(a) if the Strike Price is stated as an amount in the relevant currency, the price for the Underlying Securities, stated as an amount in the relevant currency, equal in amount to the nominal amount (the "**Bond Security Entitlement**") specified in the applicable Pricing Supplement of the relevant Underlying Securities to which one Warrant or Certificate, as applicable relates; and

(b) if the Strike Price is stated as a percentage of the nominal value of the Underlying Securities, the price of the Underlying Securities stated as a percentage of their nominal value,

in each case, as of the Valuation Time on the relevant Exercise Date, as determined by the Determination Agent in its reasonable discretion; and

"**Valuation Time**" means in the case of Bond-Linked Securities, the time specified as such in the applicable Pricing Supplement.

17. **Provisions relating to ETN-Linked Securities**

In respect of any Series of Warrants or Certificates ("**ETN-Linked Securities**") where "ETN-Linked Settlement Provisions" are specified in the applicable Pricing Supplement as being applicable, the Conditions shall be supplemented and modified by the terms and conditions set out in the applicable Pricing Supplement.

18. **Provisions relating to Physical Settlement Securities**

This Condition 17 (*Provisions relating to Physical Settlement Securities*) is applicable only in relation to Warrants or Certificates specified in the applicable Pricing Supplement as being Physical Settlement Securities.

18.1 ***Settlement Disruption***

(a) The Determination Agent shall determine, acting in a commercially reasonable manner, whether or not at any time a Settlement Disruption Event has occurred and where it determines such an event has occurred and so has prevented delivery of Underlying Securities on the original day that but for such Settlement Disruption Event would have been the Physical Settlement Date, then the Physical Settlement Date will be the first succeeding day on which delivery of such Underlying Securities can take place through the relevant Clearing System unless a Settlement Disruption Event prevents settlement on each of the 10 relevant Clearing System Business Days immediately following the original date or during such other period specified in the applicable Pricing Supplement that, but for the Settlement Disruption Event, would have been the Physical Settlement Date. In that case, if the Underlying Securities are bonds or other debt securities, the Issuer shall use reasonable efforts to deliver such Underlying Securities promptly thereafter in a commercially reasonable manner outside the relevant Clearing System or exchange on a delivery versus payment basis, and in all other cases: (a) if such Underlying Securities can be delivered in any other commercially reasonable manner, then the Physical Settlement Date will be the first day on which settlement of a sale of Underlying Securities executed on that 10th relevant Clearing System Business Day, or during such other period specified in the applicable Pricing Supplement, customarily would take place using such other commercially reasonable manner of delivery (which other manner of delivery will be deemed the relevant Clearing System for the purpose of delivery of the relevant Underlying Securities), and (b) if such Underlying Securities cannot be delivered in any other commercially reasonable manner, then the Physical Settlement Date will be postponed until delivery can be effected through the relevant Clearing System or in any other commercially reasonable manner, as determined by the Determination Agent.

(b) For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Underlying Securities comprised in a Basket, the Physical Settlement Date for Underlying Securities not affected by the Settlement Disruption Event will be the first day on which settlement of a sale of such Underlying Securities executed on that Exercise Date customarily would take place through the relevant Clearing System. In the event that a Settlement Disruption Event will result in the delivery on a Physical Settlement Date of some but not all of the Underlying Securities comprised in a Basket, the Determination Agent shall determine in its reasonable discretion the appropriate pro rata portion of the Strike Price (if any) to be paid by the relevant party in respect of that partial settlement.

(c) For the purposes hereof "**Settlement Disruption Event**" in relation to an Underlying Security means an event beyond the control of the Issuer as a result of which or following which the relevant Clearing System cannot clear the transfer or otherwise prevents the settlement of such Underlying Security.

18.2 ***Delivery Disruption***

(a) If the Determination Agent determines, acting in a commercially reasonable manner, that a Delivery Disruption Event has occurred and the Determination Agent has notified the Issuer, the Principal Securities Agent and the relevant Securityholder(s) within one Clearing System Business Day of the relevant Exercise Date to that effect, then the Issuer may:

(i) determine, in its reasonable discretion, that the obligation to deliver the relevant Underlying Securities will be terminated and the Issuer will pay an amount which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount; or

(ii) deliver on the Physical Settlement Date such number of Underlying Securities (if any) as it can deliver on that date and pay an amount, as determined by the Determination Agent in its reasonable discretion, which shall seek to preserve for the Securityholder the economic equivalent of the delivery of the remainder of Underlying Securities (assuming satisfaction of each applicable condition precedent) to which the Securityholder would have been entitled under the relevant Warrant or Certificate after that date but for the occurrence of such Delivery Disruption Event, in which event the entitlements of the respective exercising Securityholders to receive Underlying Securities pursuant to such exercise shall cease and the Issuer's obligations under the Warrants or Certificates shall be satisfied in full upon delivery of such number of Underlying Securities and payment of such amount.

(b) For the purposes hereof, "**Delivery Disruption Event**" means the failure by the Issuer or the Principal Securities Agent to deliver on the relevant Physical Settlement Date the requisite number of relevant Underlying Securities under the relevant Warrant or Certificate which is due to illiquidity in the market for such Underlying Securities.

19. **Provisions relating to Autocallable Early Settlement Securities**

In respect of any Series of Warrants or Certificates for which the Autocallable Early Settlement provisions are specified as applicable in the applicable Pricing Supplement, the Conditions shall be supplemented and modified by the terms and conditions set out in the applicable Pricing Supplement.

20. **Inconvertibility Events**

If, in respect of any Series of Warrants or Certificates, the applicable Pricing Supplements specifies that "Inconvertibility Event Provisions" are applicable, this Condition 20 (*Inconvertibility Events*) shall apply in respect of such Warrants or Certificates.

If, at any time during the term of such Series, the Determination Agent determines that an Inconvertibility Event has occurred, it will inform the Issuer of such event. Following the

determination of an Inconvertibility Event, the Issuer may, at its reasonable discretion, elect any of the following (or to take no action):

(a) If "**Converted Payment**" is specified in the applicable Pricing Supplements: to continue making any payments due under such Warrants or Certificates until the Cash Settlement Payment Date, in which case, any amount due under such Warrants or Certificates shall be converted from the Relevant Currency into the Inconvertibility Specified Currency at the Fallback FX Spot Rate determined by the Determination Agent in its reasonable discretion; or

(b) If "**Early Settlement**" is specified in the applicable Pricing Supplements: to early terminate the Warrants or Certificates on a specified date notified by the Issuer to the holder (such date, the "**Inconvertibility Early Settlement Date**"), in which case the Warrants or Certificates shall early redeem at the Inconvertibility Early Settlement Amount on such Inconvertibility Early Settlement Date. The Issuer's obligations under the Warrants or Certificates shall be satisfied in full upon payment of such amount; or

(c) If "**Suspended Payment**" is specified in the applicable Pricing Supplements: to suspend the payment until as many Business Days after the Inconvertibility Event has ceased as specified in the notice,

provided that the Issuer may, at any time from and including the Trade Date to and including the Cash Settlement Payment Date, subsequent to the despatch of a notice electing one of the selected options other than "Early Settlement", dispatch a second notice electing "Early Settlement", provided that such option was also specified as applicable in the applicable Pricing Supplement, in which case the Warrants or Certificates will be redeemed in accordance with the terms of "Early Settlement" above and the date specified in such notice will be the Inconvertibility Early Settlement Date.

The Issuer shall notify the holders of any such determination of an Inconvertibility Event and any action it elects to take in accordance with the foregoing, provided that failure to deliver such notice or the failure of the recipient to receive such notice will not affect the validity of the determination or the Issuer's election or its ability to make payments according to the option it selected.

For the purpose of this Condition 20 (*Inconvertibility Events*):

"**Fallback FX Spot Rate**" has the meaning given in the applicable Pricing Supplement (which, in the case of Currency-Linked Securites, may be the rate determined by the application of the application of any applicable Currency Disruption Fallback pursuant to Condition 11.4 (*Provisions relating to Currency-Linked Securities – Currency Disruption Fallbacks*);

"**Inconvertibility Early Settlement Amount**" means any of:

(i) an amount as specified in the applicable Pricing Supplement; or

(ii) if "**Early Settlement Amount (Inconvertibility)**" is specified in the Pricing Supplement, an amount equal to (i), the Early Settlement Amount, (ii) converted from the Relevant Currency into the Inconvertibility Specified Currency at the exchange rate (expressed as a number of the Relevant Currency per one unit of the Inconvertibility Specified Currency) determined by the Determination Agent in its reasonable discretion for settlement on or about the relevant payment date and (iii) less the reasonable cost to and/or the loss realised by, the Issuer and/or any Affiliate in respect of break funding costs for the Issuer term financing associated with such early settlement of the Warrants or Certificates, in each case as calculated by the Determination Agent in its reasonable discretion.

An "**Inconvertibility Event**" shall be deemed to have occurred if from (and including) the Trade Date to (and including) the Cash Settlement Payment Date, any event or circumstance occurs that generally makes it, in the reasonable discretion of the Determination Agent, impossible, unlawful or impracticable for the Issuer, the Determination Agent or any of its affiliates for any reason beyond its or their reasonable control:

(i) to convert the Relevant Currency into the Inconvertibility Specified Currency or the Inconvertibility Specified Currency into the Relevant Currency (whether directly or through a cross exchange rate) through customary legal channels; or

(ii) to determine the rate of conversion of the Inconvertibility Specified Currency into the Relevant Currency or the Relevant Currency into the Inconvertibility Specified Currency; or

(iii) to transfer, or make a payment in, or delivery of, the Relevant Currency from or to, outside, or inside, of the Relevant Jurisdiction, in each case under (a), (b) or (c), in an amount up to the Aggregate Nominal Amount; or

(iv) to determine a rate at which any Relevant Currency can be lawfully exchanged for U.S. Dollars; or

(v) to convert any Relevant Currency into U.S. Dollars; or

(vi) to exchange or repatriate any funds outside of any jurisdiction in which any Relevant Factor(s) or its or their components, is issued; or

(vii) for the Issuer or any of its affiliates to hold, purchase, sell or otherwise deal in any Warrants or Certificates, or any other property in order for the Issuer or any of its affiliates to perform any related hedging arrangement, or for the purposes of the Issuer or the Issuer's obligations in respect of any Warrants or Certificates;

"**Inconvertibility Specified Currency**" means the currency specified in the Pricing Supplement and, if none is indicated, the Specified Currency;

"**Relevant Currency**" means the currency as specified in the Pricing Supplement, and, if none is specified, the currency in which any of the securities which comprise the Relevant Factor(s) is denominated, or the currency of the Relevant Factor, or any of the Relevant Factors, or the currency in which any of their underlying components is denominated, or any other currency or currencies as specified in the Pricing Supplement;

"**Relevant Factor**" means, in relation to the Warrants or Certificates, any of the Share, Index, ETF Interest, Commodity, Commodity Index, ETN, or Fund underlying such Warrants or Certificates (and "**Relevant Factors**" means all of them); and

"**Relevant Jurisdiction**" means the jurisdiction as specified in the Pricing Supplement.

21. **CNY Disruption Events**

(a) In the event that a CNY Disruption Event, as determined by the Determination Agent in its reasonable discretion, occurs on or prior to any date on which a payment is scheduled to be made under a CNY Security and such CNY Disruption Event is continuing on such date (any such CNY Security so affected, an "**Affected CNY Security**"), the following terms will apply:

(i) first, payments under the Affected CNY Security shall be postponed to two Hong Kong Business Days after the date on which the CNY Disruption Event ceases to exist, unless that CNY Disruption Event continues to exist for 14 consecutive calendar days from the original date that, but for the occurrence of the CNY Disruption Event, would have been the date for such payments. In that case, the provisions of sub-paragraph (ii) below will apply on the day immediately following the lapse of such 14 calendar day period; and

(ii) second, the relevant payment obligations under the Affected CNY Security shall be replaced by an obligation to pay an amount equal to the amount that would be due in CNY under the Affected CNY Security converted into an amount in USD as calculated by the Determination Agent in its reasonable discretion. All the payments hereunder shall be made in USD on the relevant Non-Deliverable Substitute Settlement Date. For the avoidance of doubt, this sub-paragraph (ii) shall only apply to any payment which is

scheduled to occur on a date that is affected by the CNY Disruption Event and shall not affect any payments falling due on any other dates.

(b) For the purpose of this Condition 21 (*CNY Disruption Events*):

"**CNY Disruption Event**" means any of CNY Illiquidity, CNY Inconvertibility or CNY Non-Transferability.

"**CNY Illiquidity**" means, as determined by the Determination Agent in its reasonable discretion, the occurrence of any event that makes it impossible (where it had previously been possible) for the Issuer to obtain a firm quote of an offer price in respect of an amount in CNY equal to the then current aggregate nominal amount of the relevant Affected CNY Securities, any interest or any other amount to be paid under such Securities (the "**Relevant Disrupted Amount**"), during the term of such Securities, either in one transaction or a commercially reasonable number of transactions that, when taken together, is no less than such Relevant Disrupted Amount, in the general CNY exchange market in each Offshore CNY Center in order to perform its obligations under the Affected CNY Securities.

"**CNY Inconvertibility**" means, as determined by the Determination Agent in its reasonable discretion, the occurrence of any event that makes it impossible (where it had previously been possible) for the Issuer to convert an amount of CNY no less than the Relevant Disrupted Amount into or from USD in the general CNY exchange market in each Offshore CNY Center.

"**CNY Non-Transferability**" means, as determined by the Determination Agent in its reasonable discretion, the occurrence in each Offshore CNY Center of any event that makes it impossible (where it had previously been possible) for the Issuer to transfer CNY (A) between accounts inside the Offshore CNY Center, (B) from an account inside the Offshore CNY Center to an account outside such Offshore CNY Center and outside mainland China, or (C) from an account outside an Offshore CNY Center and outside mainland China to an account inside the Offshore CNY Center. For the purpose of CNY Non-Transferability and Hong Kong as an Offshore CNY Center only, a segregated Chinese Renminbi fiduciary cash account with the People's Bank of China and operated by Bank of China (Hong Kong) Limited shall be deemed to be an account inside Hong Kong.

"**Hong Kong Business Day**" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorised or required by law or regulation to close in Hong Kong.

"**Non-Deliverable Substitute Settlement Date**" means, subject to adjustment in accordance with the provisions of Condition 21(a)(i) (*CNY Disruption Events*) and/or any Business Day Convention applicable to the terms of an Affected CNY Security, the day determined by the Determination Agent which shall be as soon as practicable following the date on which a payment was scheduled to be made in respect of such Affected CNY Security and in respect of which a CNY Disruption Event has occurred and is continuing, and in no event later than two (2) Hong Kong Business Days after the date on which the amount payable in USD in respect of such Affected CNY Security is determined by the Determination Agent pursuant to Condition 21(a)(ii) (*CNY Disruption Events*).

"**Offshore CNY Center**" means Hong Kong, or such other CNY Center as specified in the applicable Pricing Supplement.

For the avoidance of doubt, references to "general CNY exchange market in each Offshore CNY Center" in the definitions of CNY Illiquidity and CNY Inconvertibility refers to purchase, sale, lending or borrowing of CNY for general purpose (including, but not limited to, funding), and therefore any purchase or sale of CNY where such CNY is required by relevant laws or regulations for settlement of any cross-border trade transaction with an entity in mainland China, or any purchase or sale of CNY for personal customers residing in each such Offshore CNY Center, would not be purchase or sale made in such general CNY exchange market.

22. **Provisions relating to all Warrants and Certificates**

22.1 ***Performance Disruption***

(a) If the Determination Agent determines, acting in a commercially reasonable manner, that Performance Disruption has occurred, then the Issuer may determine, in its reasonable discretion, that the relevant Warrants or Certificates shall be terminated on the date specified in a notice to the Securityholders and the Issuer will pay an amount which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

(b) For the purposes hereof, "**Performance Disruption**" means, in relation to any Warrant or Certificate, the occurrence or existence on any day of any event, circumstance or cause beyond the control of the Issuer that has had or reasonably could be expected to have a material adverse effect upon (i) its ability to perform its obligations under, or hedge its positions with respect to, the relevant Warrant or Certificate; (ii) the ability of any hedging counterparty of the Issuer to perform its obligations under any hedging transaction entered into by the Issuer to hedge all or any of its liabilities in respect of the Warrants or Certificates or any of them; or (iii) the availability of hedging transactions in the market.

22.2 ***Effects of European Economic and Monetary Union***

(a) Following the occurrence of an EMU Event, the Determination Agent may make such adjustment (and determine the effective date of such adjustment) as it, in its reasonable discretion, determines appropriate, if any, to the Strike Price (if any), the formula for the Cash Settlement Amount, the Settlement Price, the Settlement Rate, the Relevant Price, the Spot Rate, the number of Underlying Securities to which each Warrant or Certificate relates, the number of Underlying Securities comprised in a Basket, the amount, the number of or type of shares, bonds, other securities or other property which may be delivered in respect of such Warrants or Certificates and/or any other adjustment and, in any case, any other variable relevant to the exercise, settlement, payment or other terms of the relevant Warrants or Certificates which in the reasonable discretion of the Determination Agent have been or may be affected by such EMU Event.

(b) Following the occurrence of an EMU Event, without prejudice to the generality of the foregoing, the Issuer shall be entitled to: (i) make such conversions between amounts denominated in the national currency units (the "**National Currency Units**") of the member states of the European Union that have adopted the single currency in accordance with the EC Treaty and the euro, and the euro and the National Currency Units, in each case, in accordance with the conversion rates and rounding rules established by the Council of the European Union pursuant to the EC Treaty as it, in its reasonable discretion, considers appropriate; (ii) make all payments in respect of the Warrants or Certificates reasonably in euro as though references in the Warrants or Certificates to the relevant National Currency Units were to euro and (iii) make such adjustments as it, in its reasonable discretion considers necessary to the Strike Price (if any), the formula for the Cash Settlement Amount, Settlement Rate, Settlement Price, Relevant Price, Spot Rate and any other amount as it determines, in its reasonable discretion, to be appropriate.

(c) None of the Issuer, the Principal Securities Agent or the Determination Agent will be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection therewith.

(d) For the purposes hereof, "**EMU Event**" means the occurrence of any of the following, as determined by the Determination Agent, acting in a commercially reasonable manner:

(i) the withdrawal from legal tender of any currency that, before the introduction of the euro, was lawful currency in one of the member states;

(ii) the redenomination of any Share into euro;

(iii) any change in the currency of denomination of any Index;

(iv) any change in the currency in which some or all the securities or other property contained in any Index is denominated;

(v) the disappearance or replacement of a relevant rate option or other price source for the national currency of any member state, or the failure of the agreed sponsor (or successor sponsor) to publish or display a relevant rate, index, price, page or screen; or

(vi) the change by any organised market, exchange or clearance, payment or settlement system in the unit of account of its operating procedures to the euro.

22.3 ***Compliance with securities laws***

If any holder of any Security is determined to be a U.S. Person (as defined in Regulation S and the CEA), the Issuer shall have the right to (a) force such holder to sell its interest in such Security, or sell such interest on behalf of such holder, to (i) a person who is not a U.S. Person (as defined in Regulation S and the CEA) or (b) terminate and cancel such Security. In the case of any termination and cancellation of a Security as described above no amount shall be payable to the relevant Securityholder and the Issuer shall have no further obligations in respect of the Security.

23. Securities Agents, Securities Registrar, Securities Transfer Agents and Determination Agent

23.1 ***Appointment of Agents***

The Issuer reserves the right at any time to vary or terminate the appointment of any Securities Agent, Securities Registrar, Securities Transfer Agent or the Determination Agent and to appoint substitute or additional Securities Agents, a substitute Securities Registrar, a substitute or additional Securities Transfer Agent or a substitute or additional Determination Agent, **provided that** (a) so long as any Warrant or Certificate is outstanding, it will maintain a Principal Securities Agent, (b) so long as any Registered Security is outstanding, it will maintain a Securities Registrar and a Securities Transfer Agent and (c) so long as the Warrants or Certificates are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, there will be a Securities Agent with a specified office in such place as may be required by the rules of such listing agent, stock exchange and/or quotation system. Notice of any termination of appointment and of any change in the specified office of a Securities Agent, Securities Registrar, Securities Transfer Agent or a Determination Agent and of any appointment of a Securities Agent, Securities Transfer Agent or a Determination Agent will be given to Securityholders in accordance with Condition 27 (*Notices*) and so long as there is any Tranche of Nordic Securities outstanding, there will at all times be a NCSD duly authorised as a central securities depository under the Finnish or, as appropriate, Swedish legislation and a Nordic Issuing and Paying Agent in respect of the relevant Tranche of Nordic Securities.

23.2 ***Role of Agents***

(a) In acting under the Securities Agency Agreement, each Securities Agent, the Securities Registrar, each Securities Transfer Agent and each Determination Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders. All calculation and determination functions required of the Determination Agent or the Principal Securities Agent under these Conditions may be delegated to any such person as the Determination Agent or the Principal Securities Agent, as the case may be, in its reasonable discretion, may decide. The Determination Agent shall act as an expert and not as an agent for the Issuer or the Securityholders. All determinations, considerations and decisions made by the Determination Agent shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive and the Determination Agent shall have no liability in relation to such determinations except in the case of its wilful default or bad faith.

(b) None of the Issuer, the Guarantor (if applicable), the Principal Securities Agent or the Determination Agent shall have any responsibility for any errors or omissions in the calculation and dissemination of any variables used in any calculation made pursuant to these Conditions or in the determination of any Cash Settlement Amount or of any entitlement to a delivery of any Underlying Securities arising from such errors or omissions.

23.3 ***Notifications***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the Warrants or Certificates by the Principal Securities Agent, the Securities Registrar, any Securities Transfer Agent, the Determination Agent or the Issuer shall (in the absence of manifest error or wilful misconduct) be binding on the Issuer and the Securityholders and (subject as aforesaid) no liability to the Securityholders (or any of them) shall attach to the Principal Securities Agent, the Securities Registrar, any Securities Transfer Agent, the Determination Agent or the Issuer in connection with the exercise or non-exercise by any of them of their powers, duties and discretions for such purposes.

24. **Taxes**

24.1 A Securityholder subscribing, purchasing or exercising a Warrant or Certificate shall pay all Taxes and securities transfer taxes and any other charges, if any payable in connection with the subscription, issue, purchase or exercise of such Warrant or Certificate and the payment of the Cash Settlement Amount and/or the delivery of any Underlying Securities as a result of such exercise. The Issuer shall have the right, but not the duty, to withhold or deduct from any amounts otherwise payable to a Securityholder such amount as is necessary for the payment of any such Taxes, duties or charges or for effecting reimbursement in accordance with Condition 24.2 (*Taxes*) below.

24.2 In any case where the Issuer is obliged to pay any such tax, duty or charge referred to in Condition 24.1 (*Taxes*) above, the relevant Securityholder shall promptly reimburse the Issuer therefor.

24.3 The Issuer shall not be liable for or otherwise be obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, issue, transfer or exercise of any Warrants or Certificates.

24.4 If "Implementation of Financial Transaction Tax" is specified in the applicable Pricing Supplement to be applicable to any Series of Warrants or Certificates, then upon the occurrence of an Implementation of Financial Transaction Tax, the Issuer may (i) in its reasonable discretion, with immediate effect amend the Conditions of the Warrants or Certificates by adjusting downward any amount payable and/or any other value or term of the Conditions to account for the economic impact of the Implementation of Financial Transaction Tax on the Issuer and its Affiliates in relation to the Warrants or Certificates, and (ii) to the extent that at any time thereafter the Issuer determines (acting in good faith and in a commercially reasonable manner) that it (including its Affiliates) has incurred additional loss as a result of the Implementation of Financial Transaction Tax that has not been accounted for through the adjustment made pursuant to sub-paragraph (i) (such amount, "Additional Increased Tax"), it may reduce the amount otherwise payable on the Warrants or Certificates on the next payment date (and any payment date thereafter) by an amount up to the Additional Increased Tax amount. Any such adjustments shall be notified to Securityholders as soon as reasonably practicable. If an event or circumstance which would otherwise constitute a Change in Law or Increased Cost of Hedging (where applicable) also constitutes an Implementation of Financial Transaction Tax, it will be treated as an Implementation of Financial Transaction Tax.

25. **Events of Default**

25.1 If any of the following events (each, an "**Event of Default**") occurs and is continuing:

(a) *Non-payment*: in the case of Morgan Stanley Securities and MSI plc Securities, the applicable Issuer or, in the case of MSBV Securities or MSFL Securities, either the applicable Issuer or the Guarantor fails to pay any amount due in respect of the Warrants or Certificates within thirty days of the due date for payment thereof; or

(b) *Insolvency, etc.*:

(i) the Issuer becomes insolvent or is unable to pay its debts as they fall due;

(ii) an administrator or liquidator of the Issuer or the whole or a substantial part of the undertaking, assets and revenues of the Issuer is appointed (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent);

(iii) the Issuer takes any action for a composition with or for the benefit of its creditors generally; or

(iv) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent), and such order or effective resolution has remained in force and has not been rescinded, revoked or set aside for sixty days after the date on which such order is made or effective resolution is passed,

then Securityholders of not less than 25 per cent. in aggregate principal amount of the Securities may, by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Securities Agent, declare the Securities to be immediately (or, in the case of Nordic Securities, on such later date on which the relevant Nordic Securities have been transferred to the account designated by the relevant Nordic Issuing and Paying Agent and blocked for further transfer by such Agent) terminated whereupon the Warrants or Certificates shall cease to be exercisable (or, in the case of any Warrants or Certificates which have been exercised, the entitlements of the respective exercising Securityholders to receive the payment of the Cash Settlement Amount pursuant to such exercise shall cease) as of such later date and the Issuer will pay an amount which the Determination Agent, in its reasonable discretion, determines is an amount equal to the Early Settlement Amount.

In the case of MSBV Securities and MSFL Securities, nothing herein contained shall be deemed to authorise any Securityholder to exercise any remedy against the applicable Issuer or the Guarantor solely as a result of, or because it is related directly or indirectly to, the insolvency of the Guarantor or the commencement of any proceedings relative to the Guarantor under Title 11 of the United States Code, or the appointment of a receiver for the Guarantor under Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or the commencement of any other applicable federal or state bankruptcy, insolvency, resolution or other similar law, or solely as a result of, or because it is related directly or indirectly to, a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official having been appointed for or having taken possession of the Guarantor or its property, or solely as a result of, or because it is related directly or indirectly to, the institution of any other comparable judicial or regulatory proceedings relative to the Guarantor, or to the creditors or property of the Guarantor. Notwithstanding the foregoing, Securityholders are authorised to exercise any remedy against the applicable Issuer as a result of an Event of Default described in this Condition 25.1(b) (*Insolvency, etc*).

25.2 ***Annulment of Acceleration and Waiver of Defaults.*** In some circumstances, if any or all Events of Default have been cured, waived or otherwise remedied, then the holders of a majority in aggregate nominal amount or number of Warrants or Certificates of such Series (voting as one class) may waive past defaults of the Warrants or Certificates. However, any continuing default in payment on those Securities may not be waived.

26. **Illegality and Regulatory Event**

26.1 The Issuer may terminate the Securities early (by payment of the amount specified in the applicable Pricing Supplement), if it has determined, in its reasonable discretion, that:

(a) its performance thereunder, or, if applicable, the Guarantor's performance of its obligation under the Guarantee, shall have become or will be unlawful in whole or in part as a result of compliance in good faith by the Issuer, or, if applicable, the Guarantor, with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power ("**applicable law**") (an "**Illegality Event**"); or

(b) in respect of Securities issued by MSBV only, a Regulatory Event has occurred.

26.2 Subject to the conditions set out in Condition 26.1 (*Illegality and Regulatory Event*) above, if the Issuer determines that the Securities shall be terminated early in accordance with this Condition 26 (*Illegality and Regulatory Event*), the Issuer shall give not less than five Business Days' notice to the Securityholders informing them that either an Illegality Event or, in respect of Securities issued by MSBV only, a Regulatory Event, as applicable, has occurred, as a result of which the Securities shall be terminated early on the date specified for termination in such notice. In such circumstances the Issuer will, if and to the extent permitted by applicable law, pay to each Securityholder in respect of each Security held by such Securityholder an amount determined by the Determination Agent, in its reasonable discretion, as representing either: (i) the fair market value of such Security immediately prior to such termination (ignoring such Illegality Event or Regulatory Event) less the cost to the Issuer (or its Affiliates) of, or the loss realised by the Issuer (or its Affiliates) on, unwinding any related underlying hedging arrangements, the amount of such cost or loss being as determined by the Determination Agent in its reasonable discretion, if "Early Settlement Amount (Illegality and Regulatory Event) - Fair Market Value Less Costs" is specified in the Pricing Supplement or (ii) the fair market value of such Security immediately prior to such termination (ignoring such Illegality Event or Regulatory Event), if "Early Settlement Amount (Illegality and Regulatory Event) - Fair Market Value" is specified in the Pricing Supplement. The Issuer's obligations under the Securities shall be satisfied in full upon payment in respect of each Security of the amount determined by the Determination Agent to be payable in accordance with the provisions above, based on the elections made in the applicable Pricing Supplement. Payment will be made to the relevant Clearing System in such manner as shall be notified to the Securityholders in accordance with Condition 27 (*Notices*).

26.3 The Issuer shall also, as soon as reasonably practicable under the circumstances, notify the Principal Securities Agent and the Determination Agent of the occurrence of an Illegality Event or, in respect of Securities issued by MSBV only, a Regulatory Event, as applicable.

27. Notices

27.1 *Registered Warrants and Registered Certificates*

Notices to holders of Registered Warrants and Registered Certificates shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Registered Warrants and Registered Certificates are admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market notices to holders of Registered Warrants and Registered Certificates will be published in accordance with the rules of Euronext Dublin. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

27.2 *Nordic Securities*

All notices to holders of Nordic Securities shall be valid if so published or mailed to their registered addresses appearing on the relevant NCSD Register.

27.3 *Warrants and Certificates admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market*

In relation to Warrants and Certificates admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market, notices to Securityholders will be published in accordance with the rules of Euronext Dublin.

27.4 *Warrants and Certificates listed on the SIX Swiss Exchange*

In relation to Warrants and Certificates admitted to listing on the SIX Swiss Exchange, notices to Securityholders will be published in accordance with the regulations of the SIX Swiss Exchange in German and French language, if permitted and/or required by the applicable rules and regulations of the SIX Swiss Exchange. If the applicable rules and regulations of the SIX Swiss Exchange do not permit publication of notices on its website only, notices will be published in German and/or French language in one major daily or weekly newspaper in Switzerland or on the website

http://sp.morganstanley.com/EU/CH/Products if permitted by the rules and regulations of the SIX Swiss Exchange.

27.5 ***Warrants and Certificates admitted to the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF market***

In relation to Warrants and Certificates admitted to the Official List of the Luxembourg Stock Exchange and trading on the Luxembourg Stock Exchange's Euro MTF market, notices will be valid if published in a daily newspaper of general circulation in Luxembourg and/or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

27.6 ***Unlisted Warrants and Certificates***

Notices to Securityholders of non-listed Warrants and Certificates may be published, as specified in the applicable Pricing Supplement, in newspapers, on a website or otherwise.

27.7 ***Warrants and Certificates listed on the Global Market of the Gibraltar Stock Exchange***

In relation to Warrants and Certificates *listed on the Global Market* of the Gibraltar Stock Exchange, notices to Securityholders will be published in accordance with the rules of the Gibraltar Stock Exchange.

27.8 **If an adjustment is made, or any other action is taken, by the Determination Agent under any one or more of the following Conditions: 9.2(d), 9.3(a), 9.3(b), 9.4(a)(ii), 9.4(b)(ii), 9.5(b), 9.6(b), 9.7(c), 9.8(c), 10.7(d), 13.4(b), 14.8, 15.4(b), 15.5, the Determination Agent shall notify the Issuer and the Principal Securities Agent of such adjustment. The Principal Securities Agent shall, on behalf of and on instruction of the Issuer, provide notice (which notice shall, for the avoidance of doubt, be in the form provided to it by or on behalf of the Issuer) to the Securityholders of the relevant adjustment within 15 Business Days of receipt of such notification from the Determination Agent.**

28. **Losses**

In no event shall the Issuer or the Agents have any liability for indirect, incidental, consequential or other damages (whether or not it may have been advised of the possibility of such damages) other than interest until the date of payment on sums not paid when due in respect of any Warrants, Certificates or assets not delivered when due. Securityholders are entitled to damages only and are not entitled to the remedy of specific performance in respect of a Warrant or Certificate.

29. **Prescription**

29.1 ***Prescription in respect of Registered Warrants and Certificates***

Claims of payment or delivery in respect of Registered Warrants and Registered Certificates shall become void unless the relevant Individual Registered Securities are surrendered for payment or delivery within 10 years of the appropriate relevant due date for payment or delivery.

29.2 ***Prescription in Respect of Nordic Securities***

Claims for payment in respect of the Swedish Securities shall become void unless made within a period of 10 years after the appropriate relevant due date for payment or delivery. Claims for payment in respect of Finnish Securities shall become void unless made within a period of three years after the appropriate relevant due date for payment or delivery.

30. **Replacement of Securities**

If any Security is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Securities Registrar during normal business hours (and, if the Securities are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Securities Agent or a Securities Transfer Agent in any particular place, the Securities Agent or Securities Transfer Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced forms must be surrendered before replacements will be issued.

31. Severance, Meetings of Securityholders and Modification of Conditions

31.1 *Meetings of Securityholders*

The Securities Agency Agreement contains provisions for convening meetings of Securityholders to consider matters relating to the Securities, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Securityholders holding not less than one tenth of the amount or number of the outstanding Warrants or Certificates. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate amount or number, as applicable, of the outstanding Warrants or Certificates or, at any adjourned meeting, two or more Persons being or representing Securityholders whatever the amount or number of the Warrants or Certificates held or represented, provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Securityholders at which two or more Persons holding or representing not less than three quarters or, at any adjourned meeting, one quarter of the aggregate amount or number, as applicable of the outstanding Warrants or Certificates form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Securityholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Securityholders who for the time being are entitled to receive notice of a meeting of Securityholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders.

31.2 *Severance*

Should any of the provisions contained in these Conditions be or become invalid, the validity of the remaining provisions shall not be affected in any way.

31.3 *Modification*

(a) The Issuer may modify the Conditions of Warrants and Certificates, the Guarantee and the Deeds of Covenant without the consent of the Securityholders where, in the reasonable opinion of the Issuer:

(i) the modification is to correct a manifest error or to effect a modification which is of a formal, minor or technical nature;

(ii) the amendment is to cure any ambiguity or is to correct or supplement any defective provisions;

(iii) the amendment is to correct an error or omission such that, in the absence of such correction, the relevant terms proposed to be corrected would not otherwise represent the intended terms on which the relevant Notes were sold and have since traded; or

(iv) the modification is not materially prejudicial to the interest of the Securityholders.

(b) The parties to the Securities Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Securityholders, to any such modification unless it is of a type contemplated in Condition 31.3(a) above.

32. **Further Issues**

The Issuer is at liberty from time to time, without the consent of the Securityholders, create and issue further Warrants or Certificates of any particular Series so as to form a single series with the Warrants or Certificates of such Series, but upon such terms as to issue price and otherwise as the Issuer may determine in its reasonable discretion.

32.1 **Purchase of Warrants and Certificates by Issuer or Affiliate**

The Issuer or an Affiliate may at any time and from time to time purchase Warrants or Certificates at any price in the open market or otherwise. Such Warrants or Certificates may, at the option of the Issuer or, as the case may be, the relevant Affiliate, be held, resold, reissued or cancelled or otherwise dealt with. No Warrant or Certificate which has been exercised, or purchased and cancelled, may be re-issued.

33. **Substitution**

33.1 ***Substitution of Issuer with Morgan Stanley Group entities***

Subject to the conditions set out in this Condition 33 (*Substitution*) but without the consent of Securityholders, the Issuer may, where the Issuer is:

(a) Morgan Stanley, substitute a subsidiary of Morgan Stanley in place of Morgan Stanley as principal debtor under the Securities, provided that any Securities in respect of which such a substitution is effected will be fully, unconditionally and irrevocably guaranteed pursuant to a guarantee of Morgan Stanley as to the payment of all amounts payable in respect of such Securities when and as the same will become due and payable, whether upon exercise or otherwise, and provided further that under the terms of the guarantee, Securityholders will not be required to exercise their remedies against the substitute prior to proceeding directly against Morgan Stanley (as guarantor);

(b) MSI plc, substitute Morgan Stanley or a subsidiary of Morgan Stanley in place of MSI plc as principal debtor under the Securities, provided that, unless Morgan Stanley is the substitute issuer, any Securities in respect of which such a substitution is effected will be fully, unconditionally and irrevocably guaranteed pursuant to a guarantee of MSI plc as to the payment of all amounts payable in respect of such Securities when and as the same will become due and payable, whether upon exercise or otherwise, and provided further that under the terms of the guarantee, Securityholders will not be required to exercise their remedies against the substitute prior to proceeding directly against MSI plc (as guarantor);

(c) MSBV, substitute Morgan Stanley or a subsidiary of Morgan Stanley in place of MSBV as principal debtor under the Securities, provided that, unless Morgan Stanley is the substitute issuer, any Securities in respect of which such a substitution is effected will be fully, unconditionally and irrevocably guaranteed pursuant to a guarantee of Morgan Stanley as to the payment of all amounts payable in respect of such Securities when and as the same will become due and payable, whether upon exercise or otherwise, and provided further that under the terms of the guarantee, Securityholders will not be required to exercise their remedies against the substitute prior to proceeding directly against Morgan Stanley (as guarantor); or

(d) MSFL, substitute Morgan Stanley or a subsidiary of Morgan Stanley in place of MSFL as principal debtor under the Securities, provided that, unless Morgan Stanley is the substitute issuer, any Securities in respect of which such a substitution is effected will be fully, unconditionally and irrevocably guaranteed pursuant to a guarantee of Morgan Stanley as to the payment of all amounts

payable in respect of such Securities when and as the same will become due and payable, whether upon exercise or otherwise, and provided further that under the terms of the guarantee, Securityholders will not be required to exercise their remedies against the substitute prior to proceeding directly against Morgan Stanley (as guarantor).

33.2 ***Substitution of Issuer or Guarantor with non Morgan Stanley Group entities***

Subject to the conditions set out in this Condition 33 (*Substitution*), including the rights of Securityholders under Condition 33.6 (*Right to Termination in respect of substitutions with non Morgan Stanley Group entities*), but without the consent of Securityholders, the Issuer or the Guarantor (if applicable) may, in the event that the Issuer or the Guarantor (as the case may be) has determined that any of the following events has occurred in respect of the Issuer or the Guarantor (as the case may be): an insolvency, receivership, resolution or equivalent event under a relevant jurisdiction; a divestment mandated for regulatory reasons; any action being required to satisfy licensing requirements; or a change of control, substitute for itself any entity which is not a Morgan Stanley Group entity, provided that such entity has a long term credit rating from at least one rating agency of standard application on the international capital markets (including but not limited to S&P, Moody's and Fitch) which is at least as high as the Issuer or Guarantor (as the case may be) being substituted). Notwithstanding the foregoing, for any Series of Securities in respect of which Morgan Stanley is the Issuer, Morgan Stanley may not be substituted as Issuer with any entity which is not a Morgan Stanley Group entity within one year of the Issue Date of such Securities.

33.3 ***Conditions to substitution***

Substitution of the Issuer or Guarantor for another entity (the "**Substitute**") as provided in Condition 33.1 (*Substitution of Issuer with Morgan Stanley Group entities*) or 33.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*) above (as applicable) are subject to the following conditions:

(a) the Substitute becoming party to the Securities Agency Agreement with any appropriate consequential amendments, as if it had been an original party to it in place of the Issuer or the Guarantor (as the case may be);

(b) the Substitute is validly existing under the laws under which it is established or incorporated, has capacity to assume all rights, obligations and liabilities under the Securities and Guarantee, as applicable, and has obtained all necessary corporate authorisations to assume all such rights, obligations and liabilities under the Securities or Guarantee (as applicable);

(c) the Substitute has obtained all necessary governmental or regulatory approvals and consents for the performance by it of its obligations in connection with the Securities or Guarantee (as applicable) and that all such approvals and consents are in full force and effect;

(d) in the case of substitution of the Issuer or Guarantor pursuant to Condition 33.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*) above only:

(i) the Substitute and the Issuer having obtained (a) legal opinions from independent legal advisors of recognised standing in the country of incorporation of the Substitute and in England that the obligations of the Substitute, in the case of a substitution of the Issuer, under the Securities and the relevant Deed of Covenant, or, in New York in the case of a substitution of the Guarantor under the Deed of Guarantee, are legal, valid and binding obligations of the Substitute and (b) in the case of the substitution of the Issuer which is MSBV or MSFL (or any substitute thereof), a legal opinion from an independent legal advisor in New York, that the Deed of Guarantee will apply to the Substitute mutatis mutandis as it applies to the Issuer prior to the substitution and will constitute legal, valid and binding obligations of the Guarantor, in respect of the Substitute (provided that no opinion as referred to in this paragraph (d) shall be required where the Substitute is the Guarantor with respect to MSBV Securities or MSFL Securities); and

(ii) if the relevant Securities are rated at the relevant time, the Substitute has obtained, prior to the substitution date, a written confirmation from the relevant rating agencies that the

substitution will not result in whole or in part in a withdrawal, downgrading, placement in creditwatch or negative outlook of the Securities;

(e) all consents and approvals as required have been obtained and that the Substitute and the Securities comply with all applicable requirements of the Securities Act;

(f) the Principal Securities Agent has confirmed to the Issuer or Guarantor (as the case may be) that it has completed its relevant "know your customer" requirements on the proposed Substitute;

(g) such substitution being permitted by the rules of any stock exchange, if any, on which the Securities are listed and each such stock exchange confirming that, following the proposed substitution of the Substitute, the Securities will continue to be listed on such stock exchange;

(h) no payment in respect of the Securities is overdue at the relevant time;

(i) at the time of any such substitution, the Substitute is in a position to fulfil all payment obligations arising from or in connection with the Securities in freely convertible and transferable lawful money without the necessity of any taxes or duties to be withheld at source, and to transfer all amounts which are required therefor to the Principal Securities Agent without any restrictions;

(j) if appropriate, the Substitute appointing a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities; and

(k) in respect of Nordic Securities, the relevant NCSD has given its consent to the substitution.

33.4 ***Reference in the Conditions to the Issuer or the Guarantor (as the case may be)***

In the event of a substitution pursuant to this Condition 33 (*Substitution*), any reference in the Conditions to the Issuer or the Guarantor (as the case may be) shall be construed as a reference to the entity substituted.

33.5 ***Notification to Securityholders***

The Issuer or the Guarantor (as the case may be) shall as soon as reasonably practicable notify Securityholders of the substitution in accordance with Condition 27 (*Notices*).

33.6 ***Right to Termination in respect of substitutions with non Morgan Stanley Group entities***

(a) With respect to the right of substitution referred to in Condition 33.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*), the Issuer shall provide 60 calendar days' notice of any substitution under such Condition to Securityholders in accordance with Condition 27 (*Notices*). Securityholders who object to the substitution will have the right to require the Issuer to redeem their Securities at a price determined in accordance with the provisions of this Condition 33.6 (*Right to Termination in respect of substitutions with non Morgan Stanley Group entities*), by providing notice of their intention to exercise such right in the manner set out in this Condition 33.6 (*Right to Termination in respect of substitutions with non Morgan Stanley Group entities*) (the "**Right to Termination**").

(b) The termination of any Securities in respect of which the Right to Termination has been exercised by Securityholders shall take place one Business Day prior to the relevant substitution becoming effective (the "**Substitution Termination Date**"). The Issuer shall terminate any Securities in respect of which the Right to Termination has been exercised at a price equal to (i) in the case of Securities the terms of which provide for the repayment in full of principal at maturity, the Replacement Value of such Securities or (ii) in ever other case, the fair market value of such Securities on the day on which the relevant Right to Termination Notice is deposited, in accordance with the provisions of this Condition 33.6 (*Right to Termination in respect of substitutions with non Morgan Stanley Group entities*), as determined by the Determination Agent in its reasonable discretion.

For the purpose of this Condition 33.6 (*Right to Termination in respect of substitutions with non Morgan Stanley Group entities*), "**Replacement Value**" means an amount determined by the Determination Agent, acting in good faith and in a commercially reasonable manner, as at the day on which the relevant Right to Termination Notice is deposited in accordance with the provisions of this Condition 33.6 (*Right to Termination in respect of substitutions with non Morgan Stanley Group entities*) 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 the Notes as if the relevant event described in Condition 33.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*) and the substitution described in this Condition 33 (*Substitution*) had not occurred or to undertake obligations that would have the effect of preserving the economic equivalent of any payment by the Issuer to the Securityholder with respect to the Securities.

(c) In order to exercise the option contained in this Condition 33.6 (*Right to Termination in respect of substitutions with non Morgan Stanley Group entities*) the holder of a Security (other than a Nordic Security) must, not less than 10 Business Days before the date on which the substitution is due to take place (the "**Substitution Date**"), deposit such Security with the Registrar, and a duly completed Right to Termination Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Security is so deposited shall deliver a duly completed Right to Termination Receipt to the depositing Securityholder. In respect of Nordic Securities, the Right to Termination Notice shall not take effect against the Issuer before the date on which the relevant Nordic Securities have been transferred to the account designated by the Nordic Issuing and Paying Agent and blocked for further transfer by the relevant Nordic Issuing and Paying Agent. No Security, once deposited with a duly completed Right to Termination Notice in accordance with this Condition 33.6 (*Right to Termination in respect of substitutions with non Morgan Stanley Group entities*), may be withdrawn; provided, however, that if, prior to the relevant Substitution Termination Date, any such Security becomes immediately due and payable or, upon due presentation of any such Security on the relevant Substitution Termination Date, payment of the termination moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Securityholder at such address as may have been given by such Securityholder in the relevant Right to Termination Notice and shall hold such Security at its Specified Office for collection by the depositing Securityholder against surrender of the relevant Right to Termination Receipt. For so long as any outstanding Security is held by a Paying Agent in accordance with this Condition 33.6 (*Right to Termination in respect of substitutions with non Morgan Stanley Group entities*), the depositor of such Security and not such Paying Agent shall be deemed to be the holder of such Security for all purposes.

(d) In order to exercise the option contained in this Condition 33.6 (*Right to Termination in respect of substitutions with non Morgan Stanley Group entities*) the holder of a Nordic Security must, not less than 10 Business Days before the relevant Substitution Date, deposit with the Euroclear Registrar a duly completed Right to Termination Notice in the form obtainable from the Euroclear Registrar. The Euroclear Registrar with which a Right to Termination Notice is so deposited shall deliver a duly completed Right to Termination Receipt to the depositing Securityholder. Once deposited a duly completed Right to Termination Notice may not be withdrawn; provided, however, that if, prior to the relevant Substitution Termination Date, the related Security becomes immediately due and payable or, upon the relevant Substitution Termination Date, payment of the termination moneys is improperly withheld or refused, the Euroclear Registrar shall mail notification thereof to the depositing Securityholder at such address as may have been given by such Securityholder in the relevant Right to Termination Notice and the relevant depositing Securityholder and not the Euroclear Registrar shall be deemed to be the holder of such Security for all purposes in such case.

(e) Notwithstanding the foregoing, in respect of any Series of Securities for which Morgan Stanley is the Issuer, Securityholders shall only have the right to submit a Right to Termination Notice from the date which is one calendar year after the Issue Date of such Securities.

(f) Any payments made to Securityholders in accordance with this Condition 33.6 shall be made in accordance with the provisions of Condition 6.8 (*Payment and delivery – Registered Securities*) or Condition 6.11 (*Exercise and Settlement of Nordic Securities*), as applicable.

33.7 *Tax Consequences of substitution*

If the Issuer substitutes an entity in place of the Issuer as principal debtor under the Securities, the tax consequences (including the withholding tax consequences) of holding the Securities may change. If withholding is required on the Securities the Issuer will not be required to pay any additional amounts.

34. **Rights of the Issuer and Determination Agent are Cumulative**

Each of the Issuer and the Determination Agent may have rights exercisable under different provisions of these Conditions arising from the occurrence of the same event. In such circumstances, the rights of the Issuer or the Determination Agent, as the case may be, shall be cumulative and the Issuer or the Determination Agent shall be entitled to exercise its rights under whichever provision (or provisions) of these Conditions that may apply following the occurrence of the relevant event, as it may select in its discretion. The exercise by the Issuer or the Determination Agent of a right under one provision shall not preclude the exercise by the Issuer or the Determination Agent of a right under another provision.

35. **Rights of Third Parties**

No person shall have any right to enforce any term or condition of the Warrants or Certificates under the Contracts (Rights of Third Parties) Act 1999.

36. **Representations and Acknowledgements by Securityholders**

36.1 Each Securityholder shall be deemed to represent and acknowledge to the Issuer on acquiring any Warrants or Certificates that:

(a) neither the Issuer nor any Affiliate or any of their agents is acting as a fiduciary for it or provides investment, tax, accounting, legal or other advice in respect of the Warrants or Certificates and that such Securityholder and its advisors are not relying on any communication (written or oral and including, without limitation, opinions of third party advisors) of the Issuer or any Affiliate as (i) legal, regulatory, tax, business, investment, financial, accounting or other advice, (ii) a recommendation to invest in any Warrants or Certificates or (iii) an assurance or guarantee as to the expected results of an investment in the Warrants or Certificates (it being understood that information and explanations related to the terms and conditions of the Warrants or Certificates shall not be considered to be any such advice, recommendation, assurance or guarantee and should be independently confirmed by the recipient and its advisors prior to making any such investment);

(b) such Securityholder (i) has consulted with its own legal, regulatory, tax, business, investments, financial and accounting advisors to the extent that it has deemed necessary, and has made its own investment, 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 Affiliate or any of their agents and (ii) is acquiring Warrants or Certificates with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks; and

(c) the Issuer and/or any Affiliates may have banking or other commercial relationships with issuers of any securities to which the Warrants or Certificates relate and may engage in proprietary trading in any securities, indices, futures contracts, commodities or other property to which the Warrants or Certificates relate or options, futures, derivatives or other instruments relating thereto (including such trading as the Issuer and/or any Affiliate deem appropriate in their reasonable discretion to hedge the market risk on the Warrants or Certificates and other transactions between the Issuer and/or any Affiliates and any third parties), and that such trading (i) may affect the price or level thereof and consequently the amounts payable under the Warrants or Certificates and (ii) may be effected at any time, including on or near any Valuation or Averaging Date.

36.2 If "(China Connect)" is specified next to the name of the Exchange in the applicable Pricing Supplement, each Securityholder in respect of the relevant Series of Warrants or Certificates shall be deemed to represent, acknowledge and undertake to the relevant Issuer on acquiring any Warrant or Certificate (and such acknowledgements, representations and undertakings are deemed to be

repeated on the Issue Date) that:

(a) without prejudice to the generality of any applicable law, the Securityholder expressly consents to the disclosure by the Issuer or its Affiliates to the relevant authorities in the jurisdiction of the incorporation or organisation of the issuer of the Shares (a "**Relevant Jurisdiction**"), the jurisdiction in which the Exchange is located (the "**Local Jurisdiction**"), a jurisdiction in which the SEHK is located (a "**CCS Jurisdiction**") or any jurisdiction of tax residence of the issuer of the Shares (a "**Tax Residence Jurisdiction**"), information relating to the Warrants or Certificates, including the name of the Securityholder in order for the Issuer or any of its Affiliates to comply with laws and regulations of the Relevant Jurisdiction, the Local Jurisdiction, the CCS Jurisdiction or Tax Residence Jurisdiction that are applicable to the Issuer or its Affiliate in connection with their dealings in the underlying;

(b) the Securityholder acknowledges that, in the case of an individual, it is not a person who is a citizen of PRC and does not have permanent right of abode in a jurisdiction outside PRC, or in the case of an entity, either (x) it is not incorporated or registered under the laws of PRC or (y) it will purchase and hold the Warrants or Certificates pursuant to any program approved by, or approval of or registration with, any competent PRC regulator; and

(c) the Securityholder will use funds lawfully owned by it and located outside PRC to purchase the Warrants or Certificates unless it will purchase the Warrants or Certificates pursuant to any program approved by, or approval of or registration with, any competent PRC regulator.

37. Governing Law and Jurisdiction

37.1 *Governing Law*

The Warrants and Certificates and any non-contractual obligations arising out of or in connection with them shall be governed by and construed in accordance with English law.

37.2 *Jurisdiction*

Each of Morgan Stanley, MSI plc, MSBV and MSFL agrees for the benefit of the Securityholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Warrants and Certificates (respectively, "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

37.3 *Appropriate Forum*

Each of Morgan Stanley, MSI plc, MSBV and MSFL irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

37.4 *Process Agent*

Each of Morgan Stanley, MSI plc, MSBV and MSFL agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to (i) in the case of Morgan Stanley, MSBV and MSFL, Morgan Stanley & Co. International plc, 25 Cabot Square, Canary Wharf, London E14 4QA or, if different, its registered office for the time being and (ii) in the case of MSFL, Morgan Stanley (UK) Limited, 25 Cabot Square, Canary Wharf, London E14 4QA or, if different, its registered office for the time being or (iii) at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part 34 of the UK Companies Act 2006. If such Person is not or ceases to be effectively appointed to accept service of process on behalf of any Issuer, such Issuer shall, on the written demand of any Securityholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Securities Agent, appoint another Person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Securityholder shall be entitled to appoint such a Person by

written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Securities Agent. Nothing in this paragraph shall affect the right of any Securityholder to serve process in any other manner permitted by law.

PRO FORMA PRICING SUPPLEMENT FOR WARRANTS AND CERTIFICATES

Pricing Supplement dated []

[Morgan Stanley / Morgan Stanley & Co. International plc / Morgan Stanley B.V. / Morgan Stanley Finance LLC] as Issuer

Legal Entity Identifier (LEI): [IGJSJL3JD5P30I6NJZ34][42] / [4PQUHN3JPFGFNF3BB653][43] / [KG1FTTDCK4KNVM3OHB52][44] / [5493003FCPSE9RKT4B56][45]

Issue of [Aggregate Nominal Amount Tranche] [Title of Warrants/Certificates] (the "[**Warrants/Certificates**]" or the "**Securities**")

[Guaranteed by Morgan Stanley]

under the

Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates

The Offering Circular referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of the Securities in any Member State of the European Economic Area or in the United Kingdom (each, a "**Relevant State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer in that Relevant State of the Securities may only do so in circumstances in which no obligation arises for the Issuer or any Distribution Agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Distribution Agent has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.

Warning: Neither this Pricing Supplement nor the Offering Circular referred to below constitutes a "prospectus" for the purposes of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"), and the Pricing Supplement and the Offering Circular have been prepared on the basis that no prospectus shall be required under the Prospectus Regulation in relation to any Securities be offered and sold under hereby.

THE [WARRANTS/CERTIFICATES] ARE NOT DEPOSITS OR SAVINGS ACCOUNTS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR DEPOSIT PROTECTION SCHEME ANYWHERE, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

[**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS:**

IF THE PRICING SUPPLEMENT IN RESPECT OF ANY [WARRANTS/CERTIFICATES] INCLUDES A LEGEND ENTITLED "PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS", THE [WARRANTS/CERTIFICATES] 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 OR IN THE UNITED KINGDOM. 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");

[42] Insert if Morgan Stanley is the Issuer.
[43] Insert if Morgan Stanley & Co. International plc is the Issuer.
[44] Insert if Morgan Stanley B.V. is the Issuer.
[45] Insert if Morgan Stanley Finance LLC is the Issuer.

(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, IF THE PRICING SUPPLEMENT IN RESPECT OF ANY [WARRANTS/CERTIFICATES] INCLUDES A LEGEND ENTITLED "PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS", NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE [WARRANTS/CERTIFICATES] OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA OR IN THE UNITED KINGDOM HAS BEEN OR WILL BE PREPARED AND THEREFORE OFFERING OR SELLING THE [WARRANTS/CERTIFICATES] OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA OR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.][46]

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET:

SOLELY FOR THE PURPOSES OF THE MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE [WARRANTS/CERTIFICATES] HAS LED TO THE CONCLUSION THAT:

(A) THE TARGET MARKET FOR THE [WARRANTS/CERTIFICATES] IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND

(B) ALL CHANNELS FOR DISTRIBUTION OF THE [WARRANTS/CERTIFICATES] TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE.

ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE [WARRANTS/CERTIFICATES] (A "**DISTRIBUTOR**") SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER'S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE [WARRANTS/CERTIFICATES] (BY EITHER ADOPTING OR REFINING THE MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.]

[46] Prior to the date of application of the PRIIPs Regulation, this legend is not required and "Prohibition of Sales to EEA and UK Retail Investors" (see Part B, Para 6) may be specified as "Not Applicable". This legend will be required after the date of application of the PRIIPs Regulation if "Prohibition of Sales to EEA and UK Retail Investors" is specified as being "Applicable" (See Part B, Para 6).

PART A – CONTRACTUAL TERMS

THE [WARRANTS/CERTIFICATES] DESCRIBED HEREIN [AND ANY GUARANTEE IN RESPECT THEREOF,] AND THE SECURITIES TO BE DELIVERED ON EXERCISE OR REDEMPTION OF THE [WARRANTS/CERTIFICATES] (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. [THE ISSUER IS NOT REGISTERED AND WILL NOT REGISTER] [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 [WARRANTS/CERTIFICATES] HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED.

THE [WARRANTS/CERTIFICATES] DESCRIBED HEREIN, ANY INTEREST THEREIN, [ANY GUARANTEE IN RESPECT THEREOF,] AND THE SECURITIES TO BE DELIVERED ON THE EXERCISE OR REDEMPTION OF THE [WARRANTS/CERTIFICATES] (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 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 "*NO OWNERSHIP BY U.S. PERSONS*" IN THE ACCOMPANYING OFFERING CIRCULAR DATED 26 JUNE 2020. IN PURCHASING THE [WARRANTS/CERTIFICATES], PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON.

[THE [WARRANTS/CERTIFICATES] ARE NOT RATED.][47]

This document constitutes the Pricing Supplement relating to the issue of the [Warrants/Certificates] described herein. This Pricing Supplement must be read in conjunction with the Offering Circular dated 26 June 2020 [and the supplement[s] to the Offering Circular dated 26 June 2020 (the "**Offering Circular**"). Full information on the Issuer [, the Guarantor] and the offer of the [Warrants/Certificates] is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. Copies of the Offering Circular are available from the offices of Morgan Stanley & Co. International plc at 25 Cabot Square, Canary Wharf, London, E14 4QA. The Offering Circular has also been published on the website of Euronext Dublin (www.ise.ie).

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of the [Warrants/Certificates] set forth in the [base prospectus / offering circular] dated 26 June 2020 [and the supplement[s] to the [base prospectus / offering circular] dated 26 June 2020 which are incorporated by reference in the Offering Circular.][48]

[]

(*If the [Warrants]/[Certificates] reference a Proprietary Index then cross reference should be made to bespoke risk factors contained in the relevant Index Rules and consideration should be given as to whether with any additional disclosure or risk factors are required to be included (or cross-referred to) in the pricing supplement.*)

Information Concerning Investment Risk

[47] Delete if the Securities are rated.

[48] Only include this language where it is a fungible issue and the original Tranche was issued under a base prospectus or offering circular with a different date.

Potential investors should be aware that the [Warrant/Certificate] creates an option exercisable by the Securityholder and that in the absence of such exercise, there is no obligation upon the Issuer to indemnify such Securityholder.

(Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)

(When completing any pricing supplement, or adding any information, consideration should be given as to whether (i) such terms constitute a "significant change" or "significant new matter" for the purposes of the rules of the Global Exchange Market of Euronext Dublin and consequently trigger the need for a supplementary listing particulars; or (ii) whether such terms trigger any other disclosure obligations pursuant to the rules of the Luxembourg Stock Exchange, SIX Swiss Exchange or the Gibraltar Stock Exchange).

GENERAL

1.	[(i)]	Issuer:	[Morgan Stanley/Morgan Stanley & Co, International plc/Morgan Stanley B.V./Morgan Stanley Finance LLC] (*NB. Morgan Stanley can only be an Issuer in respect of Certificates*)
	[(ii)	[Guarantor:]	[Morgan Stanley]
	[(i)]	Series Number:	[]
	[(ii)	[Tranche Number:]	[]
2.	(*If fungible with an existing Series, details of that Series, including the date on which the Securities become fungible)*		
3.	(i)	Aggregate Number/Nominal Amount of Securities in the Series:	[]
	(ii)	Aggregate Number/ Nominal Amount of Securities in the Tranche:	[]
4.	Settlement Currency:		[]
5.	[Minimum Trading:		[] Securities and multiples of [] [Warrants/Certificates] thereof.[49]/ [Not Applicable]
6.	Trade Date		[]
7.	Issue Date:		[]
8.	Issue Price:		[] per [Warrant/Certificate]
9.	Form of Securities:		[Registered Securities: [Global Registered Security registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Registered

[49] Delete for Securities which are not to be listed on the SIX Swiss Exchange.

			Securities [on the expiry of [] days' notice period [50] / at any time / in the limited circumstances described in the Global Registered Security]] [Individual Registered Securities]] [Nordic Securities [Swedish Warrants/ Swedish Certificates] [Finnish Warrants/Finnish Certificates]]
10.	Security Style: (Condition 5)		[American/European/Bermudan] Style Securities
	(i)	[Exercise Period:]	[[]/*(As defined in Condition 2)*]
	(ii)	[Potential Exercise Dates:]	[Each day from and including the Commencement Date to and including the Latest Exercise Time on the Expiration Date]
	(iii)	[Commencement Date:]	[]
11.	Equity and Proprietary Index-Linked Settlement Provisions: (Condition 9)		[Applicable/Not Applicable]
(A)	[Single Share Securities]/[Share Basket Securities]:		(*if Not Applicable, delete sub-paragraph (A)*)
	(i)	Whether the Securities relate to a single share or a basket of shares (each, a "**Share**") and the identity of the relevant issuer(s) and class of the Share (each a "**Share Issuer**")	[Single Share Securities]/[Share Basket Securities] (a) Share/Shares: [●] (*ISIN*: [●]); (b) Share Issuer(s): [●] (*insert (c) and (d) below for ADRs/GDRs*) [(c) Underlying Share/Shares: (ISIN: [●]); (d) Underlying Share Issuer(s): [●]]
	(ii)	Partial Lookthrough ADR Provisions:	[Applicable/Not Applicable] (*Applicable for Russian ADRs/GDRs*)
	(iii)	Full Lookthrough ADR Provisions:	[Applicable/Not Applicable] (*if Single Share Securities, delete sub-paragraph below)*
	(iv)	Scheduled Trading Days and Disrupted Days:	[Common Scheduled Trading Days and Common Disrupted Days: Applicable] [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable]

[50] In respect of Morgan Stanley Securities, notice should be 30 days.

		[Common Scheduled Trading Days and Individual Disrupted Days: Applicable] (*select one as appropriate and delete other two*)
(v)	Exchange(s):	[●] / [(China Connect [– ChiNext Shares])]
(vi)	Related Exchange(s):	[●]/[All Exchanges]/[None specified]
(vii)	Determination Agent responsible for calculating the Cash Settlement Amount:	[]
(viii)	Provisions for determining Cash Settlement Amount:	[]
(ix)	Whether redemption of the Securities will be by (a) Cash Settlement or (b) Physical Settlement or (c) in certain circumstances depending on the closing price of the Shares, Cash Settlement or Physical Delivery at the option of the Issuer:	[Cash Settlement/Physical Settlement] [In the event of [] *(describe triggers linked to the closing price of the Shares)*, Cash Settlement or Physical Settlement at the option of the Issuer]
(x)	Provisions for determining Final Redemption Amount where calculation by reference to one or more Shares is impossible or impracticable or otherwise disrupted:	[]
(xi)	Weighting for each Share comprising the Basket of Shares:	[]/[Not Applicable]
(xii)	Valuation Date(s):	[]
(xiii)	Averaging Dates:	[Applicable/Not Applicable]
(xiv)	Averaging Date Disruption:	[Omission/Postponement/Modified Postponement]
(xv)	Observation Date(s):	[]
(xvi)	Observation Period(s):	[]
(xvii)	Determination Date(s):	[]
(xviii)	Determination Time(s):	[]
(xix)	Delivery provisions for Shares (including details of who is to make such delivery):	[] *(only where Physical Settlement is applicable)*
(xx)	Physical Settlement:	[Applicable/Not Applicable]
(xxi)	Eligible Share:	[] (*specify or delete if not applicable*)
(xxii)	Additional Disruption Events:	Change in Law, Hedging Disruption, Loss of Stock Borrow [and] Increased Cost of

			Hedging[, China Connect Service Termination, [and] China Connect Share Disqualification [and ChiNext Event]] shall apply (*specify if any are not applicable, or any further Additional Disruption Events*) [For the avoidance of doubt, the Issuer and/or its affiliates are not obliged to hedge by using any quota granted to it or its affiliates under the Qualified Foreign Institutional Investor (QFII) or Renminbi Qualified Foreign Institutional Investor (RQFII) schemes.] *(include this language if China Connect Service Termination and China Connect Share Disqualification are specified as Additional Disruption Events)*
	(xxiii)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/No Adjustment/ other (*give details*)]
	(xxiv)	Additional Business Centre(s):	[]
	(xxv)	Other special terms and conditions:	[] / [In making any determination of adjustment to the terms of the [Warrants]/[Certificates] to account for the economic effect on the [Warrants]/[Certificates] of the relevant Market Disruption Event, Potential Adjustment Event, Extraordinary Event, Additional Disruption Event or otherwise, the Determination Agent shall take into account any requirement, adjustment and/or limitation that may be imposed by the China Connect Service or any action or inaction by any one or more of the Exchange, SEHK, CSDCC and HKSCC in relation to such event in respect of Shares held through the China Connect Service.] *(include this language if China Connect Service provisions are specified)*
(B)	[Single Index Securities]/[Index Basket Securities]:		*(if not applicable, delete sub-paragraph (B))*
	(i)	Whether the Securities relate to a single index or a basket of indices (each, an "**Index**") and the identity of the sponsor of an Index (each an "**Index Issuer**)"	[Single Index Securities]/[Index Basket Securities] [], (*Bloomberg® code*: []) sponsored by [] (*specify as applicable)* (*if Single Index Securities, delete sub-paragraph below)*
	(ii)	Scheduled Trading Days and Disrupted Days:	[Common Scheduled Trading Days and Common Disrupted Days: Applicable] [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable]

		[Common Scheduled Trading Days and Individual Disrupted Days: Applicable] (*select one as appropriate and delete other two*) (*If Single Index Securities only, include sub-paragraph below*)
(iii)	Proprietary Index:	The Index [is] /[is not] a Proprietary Index
(iv)	Exchange(s):	[●] / [(China Connect [– ChiNext Shares])] *(specify Exchange or Multi-Exchange Index, in relation to each Index)*
(v)	Related Exchange(s):	[]/[All Exchanges]/[None specified]
(vi)	Valuation Date(s):	[]
(vii)	Averaging Dates:	[Applicable/Not Applicable]
(viii)	Averaging Date Disruption:	[Omission/Postponement/Modified Postponement]
(ix)	Observation Date(s):	[]
(x)	Observation Period:	[]
(xi)	Determination Date(s):	[]
(xii)	Determination Time(s):	[]
(xiii)	Determination Agent responsible for calculating the Cash Settlement Amount:	[]
(xv)	Provisions for determining Cash Settlement Amount:	[]
(xiv)	Provisions for determining Cash Settlement Amount where calculation by reference to Index is impossible or impracticable or otherwise disrupted:	[]
(xvi)	Weighting for each Index:	[[] *(insert details)*/Not Applicable]
(xvii)	Additional Disruption Events:	Change in Law, Hedging Disruption, Loss of Stock Borrow [and] Increased Cost of Hedging[, China Connect Service Termination, [and] China Connect Share Disqualification [and ChiNext Event]] shall apply (*specify if any are not applicable, or any further Additional Disruption Events*) [For the avoidance of doubt, the Issuer and/or its affiliates are not obliged to hedge by using any quota granted to it or its affiliates under the Qualified Foreign Institutional Investor (QFII) or Renminbi Qualified Foreign Institutional Investor (RQFII) schemes.] *(include this language if China Connect Service Termination*

			and China Connect Share Disqualification are specified as Additional Disruption Events)
	(xviii)	Proprietary Index Additional Market Disruption Event:	[Not Applicable / (*specify*)]
	(xix)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment/ other (*give details*)]
	(xx)	Additional Business Centre(s):	[]
	(xxi)	Other special terms and conditions:	[] / [In making any determination of adjustment to the terms of the [Warrants]/[Certificates] to account for the economic effect on the [Warrants]/[Certificates] of the relevant Market Disruption Event, Potential Adjustment Event, Extraordinary Event, Additional Disruption Event or otherwise, the Determination Agent shall take into account any requirement, adjustment and/or limitation that may be imposed by the China Connect Service or any action or inaction by any one or more of the Exchange, SEHK, CSDCC and HKSCC in relation to such event in respect of Shares held through the China Connect Service.] *(include this language if China Connect Service provisions are specified)*
	(xxii)	Benchmark Trigger Provisions:	[Applicable][Not Applicable]
	(xxiii)	Alternative Pre-nominated Index:	[None][*Specify*] (*specify in respect of each Relevant Equity Index Benchmark*)
(C)	[Single ETF Securities]/[ETF Basket Securities]:		*(if Not Applicable, delete sub-paragraph (C))*
	(i)	Whether the Securities relate to a single ETF Interest or a basket of ETF Interests (each, an "**ETF Interest**") relating to an ETF (each an "**ETF**"):	[Single ETF Securities]/[ETF Basket Securities] *(Specify ETF(s) and ETF Interest(s))* *(*ISIN*: [])* (*if Single ETF Securities, delete sub-paragraph below)*
	(ii)	Scheduled Trading Days and Disrupted Days:	[Common Scheduled Trading Days and Common Disrupted Days: Applicable] [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable] [Common Scheduled Trading Days and Individual Disrupted Days: Applicable] (*select one as appropriate and delete other two*)
	(iii)	Exchange(s):	[]

(iv)	Related Exchange(s):	[]/[All Exchanges]/[None specified]
(v)	Determination Agent responsible for calculating the Cash Settlement Amount:	[]
(vi)	Provisions for determining Cash Settlement Amount:	[]
(vii)	Whether redemption of the Securities will be by (a) Cash Settlement or (b) Physical Settlement or (c) in certain circumstances depending on the closing price of the ETF Interests or Basket of ETF Interests, Cash Settlement or Physical Delivery at the option of the Issuer:	[Cash Settlement/Physical Settlement] [In the event of *(describe triggers linked to the closing price of the ETF Interests/ Basket of ETF Interests)*, Cash Settlement or Physical Settlement at the option of the Issuer]
(viii)	Weighting for each ETF comprising the basket:	[[] *(Insert details)/*Not Applicable]
(ix)	Valuation Date(s):	[]
(x)	Averaging Dates:	[Applicable/Not Applicable]
(xi)	Averaging Date Disruption:	[Omission/Postponement/Modified Postponement]
(xii)	Observation Date(s):	[]
(xiii)	Observation Period:	[]
(xiv)	Determination Date(s):	[]
(xv)	Determination Time(s):	[]
(xvi)	Delivery provisions for ETF Interests (including details of who is to make such delivery):	[] *(only where Physical Settlement is Applicable)*
(xvii)	Physical Settlement:	[Applicable / Not Applicable]
(xviii)	Eligible ETF Interest:	[] (*specify or delete if not applicable*)
(xix)	Additional Extraordinary ETF Event(s):	[] *(specify if applicable)*
(xx)	Additional Disruption Events:	Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging shall apply (*specify if any are not applicable, or any further Additional Disruption Events)*
(xxi)	Business Day Convention:	[]
(xxii)	Additional Business Centre(s):	[]

	(xxiii)	Other special terms and conditions:	[] *(specify if applicable)*
12.	Commodity-Linked Settlement Provisions (Condition 10)		[Applicable/Not Applicable] *(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Commodity/ies or Commodity Index/Indices:	[] (*if applicable, specify whether Non Metal, Base Metal or Precious Metal)*
	(ii)	Commodity Reference Price:	[] *(specify Commodity Reference Price)*
	(iii)	Weighting:	[]
	(iv)	Exchange:	[] *(specify for each Commodity)*
	(v)	Determination Agent responsible for calculating the Final Redemption Amount:	[]
	(vi)	Provisions for determining Cash Settlement Amount:	[]
	(vii)	Observation Date(s):	[]
	(viii)	Observation Period:	[]
	(ix)	Provisions for determining Cash Settlement Amount where calculation by reference to Index and/or other variable is impossible or impracticable or otherwise disrupted:	[]
	(x)	Price Source:	[] *(specify for each Commodity)*
	(xi)	Specified Price:	[[high][low][average of high and low][closing price][opening price][bid] [asked] [average of high and low prices][settlement price][official settlement price][official price][morning fixing][afternoon fixing][spot price][Other *(specify)*] *(if appropriate, specify time as of which the price will be determined)*
	(xii)	Delivery Date:	[] *(specify whether price based on spot market, First Nearby Month, Second Nearby Month, etc.)*

	(xiii)	[Pricing Date:	[]]
	(xiv)	Common Pricing:	[Applicable] [Not Applicable] *(include only if Basket of Commodities)*
	(xv)	Commodity Disruption Events:	[Price Source Disruption] [- Price Materiality Percentage: [●]] [Trading Disruption] [Disappearance of Commodity Reference Price] [Material Change in Formula] [Material Change in Content] [Tax Disruption] [Not Applicable] *(specify any applicable additional Commodity Disruption Events)*
	(xvi)(A)	Commodity Disruption Fallback:	[Determination Agent Determination as defined in Condition 10.3 /Other *(specify)*]
	(xvi)(B)	Commodity Disruption Fallback for Administrator/Benchmark Event (Condition 10.4):	[Determination Agent Determination as defined in Condition 10.3/Other (*specify*)]
	(xvii)	Physical Hedging Fallback:	[Applicable] [Not Applicable]
	(xviii)	Business Day Convention:	[]
	(xix)	Additional Disruption Events:	[Change in Law, Hedging Disruption, Increased Cost of Hedging shall apply] (*specify if any are not applicable, or any further Additional Disruption Events)*
	(xx)	Other special terms and conditions:	[]
	(xxi)	Benchmark Trigger Provisions:	[Applicable][Not Applicable]
	(xxii)	Alternative Pre-nominated Index:	[None][*Specify*] (*specify in respect of each Relevant Commodity Benchmark*)
	(xxiii)	Other Relevant Commodity Benchmark:	[None][*Specify*] (*specify in respect of each Relevant Commodity Benchmark*)
13.	Currency-Linked Settlement Provisions		[Applicable/Not Applicable]
	(Condition 11)		*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Settlement Currency:	[]
	(ii)	Reference Currency:	[]
	(iii)	Event Currency:	[Reference Currency][*Specify other*]

(iv)	Specified Amount:	[]
(v)	Specified Time:	[]
(vi)	Settlement Rate:	[]
(vii)	Reference Source:	[]
(viii)	Determination Agent responsible for calculating the Cash Settlement Amount:	[]
(ix)	Provisions for determining Cash Settlement Amount:	[]
(x)	Valuation Date:	[]
[(xi)	Observation Date/ Period:]	[]
(xii)	Provisions for determining Cash Settlement Amount where calculation by reference to Index and/or other variable is impossible or impracticable or otherwise disrupted:	[]
(xiii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/No Adjustment/Other *(give details)*]
(xiv)	Additional Business Centre(s):	[]
(xv)	EM Unscheduled Holiday:	[Applicable/Not Applicable] (*If not applicable, delete the remaining provisions of this paragraph. If applicable, note that the provisions of Condition 11.4(a)(ii)(B) (Currency Disruption Fallbacks – Additional Price Source Disruption) shall not apply through the election of "Additional Price Source Disruption" in paragraph (xvi) below if so elected*)
	Maximum Days of Unscheduled Holiday Postponement:	[]
(xvi)	Currency Disruption Events:	[Price Source Disruption] [Additional Price Source Disruption]: (*If not applicable, delete the remaining sub-paragraph of this paragraph*) [Price Materiality Event:] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) Price Materiality Percentage: [] Primary Rate: []

	Secondary Rate: []
	[Dual Exchange Rate]
	[General Inconvertibility]
	[General Non-Transferability]
	[Illiquidity
	Minimum Amount: [Specified Amount][*Specify other*]
	Illiquidity Valuation Date: [Not Applicable][*Specify*]]
	[Governmental Authority Default]
	[Nationalization]
	[Material Change in Circumstance]
	[Other (*specify*)]
(xvii)(A) Currency Disruption Fallbacks:	[Determination Agent Determination of Settlement Rate];
	[Fallback Reference Price];
	[Currency Reference Dealers]
	[Specified Rate:
	(*Specify one of:)*
	Reference Currency bid exchange rate;
	Reference Currency offer exchange rate;
	Average of Reference Currency bid and offer exchange rates;
	Settlement Currency bid exchange rate;
	Settlement Currency offer exchange rate;
	Average of Settlement Currency bid and offer exchange rates;
	Official fixing rate;]
	[Other *(specify)*]]
	[EM Valuation Postponement
	Maximum Days of EM Valuation Postponement: []]
	[EM Valuation Fallback Postponement
	Maximum Days of EM Valuation Fallback Postponement: []]

[Cumulative Events

Maximum Days of Cumulative Postponement: []]

[Other *(specify)*]

(where applicable, specify which Currency Disruption Fallback applies to which Currency Disruption Event, and if more than one Currency Disruption Fallback may apply to a Currency Disruption Event, the order in which such Currency Disruption Fallbacks will apply)

(xvii)(B) Currency Disruption Fallbacks for Administrator/Benchmark Event (Condition 11.6):

[Determination Agent Determination of Settlement Rate];

[Fallback Reference Price];

[Currency Reference Dealers]

[Specified Rate:

(*Specify one of*:)

Reference Currency bid exchange rate;

Reference Currency offer exchange rate;

Average of Reference Currency bid and offer exchange rates;

Settlement Currency bid exchange rate;

Settlement Currency offer exchange rate;

Average of Settlement Currency bid and offer exchange rates;

Official fixing rate;]

[Other (*specify*)]]

[EM Valuation Postponement

Maximum Days of EM Valuation Postponement: []]

[EM Valuation Fallback Postponement

Maximum Days of EM Valuation Fallback Postponement: []]

[Cumulative Events

Maximum Days of Cumulative Postponement: []]

[Other (*specify*)]

(*where applicable, specify which Currency Disruption Fallback applies to which Currency*

			Disruption Event, and if more than one Currency Disruption Fallback may apply to a Currency Disruption Event, the order in which such Currency Disruption Fallbacks will apply)
	(xviii)	Additional Disruption Events:	Change in Law: [Applicable/Not Applicable] Hedging Disruption: [Applicable/Not Applicable] Increased Cost of Hedging: [Applicable/Not Applicable] *(Other further Additional Disruption Events.*) []
	(xix)	Other special terms and conditions:	[]
	(xx)	Other Relevant FX Benchmark:	[None][*Specify*] (*specify in respect of each Relevant FX Benchmark*)
	(xxi)	Additional Currency Financial Centre (paragraph (a) of the definition of Currency Business Day):	[Not Applicable]/[*Specify*] (*specify any additional currency centres required for the purposes of paragraph (a) of the definition of "Currency Business Day" for Valuation Date purposes*
	(xxii)	Additional Currency Financial Centre (paragraph (b) of the definition of Currency Business Day):	[Not Applicable]/[*Specify*] (*specify any additional currency centres required for the purposes of paragraph (b) of the definition of "Currency Business Day"*
14.	Inflation-Linked Settlement Provisions (Condition 12)		[Applicable/Not Applicable] *(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Index/Indices:	[] sponsored by [•] (*specify Index/Indices/Index Sponsors (including place of publication*)
	(ii)	Determination Agent responsible for calculating the Cash Settlement Amount:	[]
	(iii)	Provisions for determining Cash Settlement Amount:	[]
	(iv)	Provisions for determining Cash Settlement Amount where calculation by reference to Index and/or other variable is impossible or impracticable or otherwise disrupted:	[]
	(v)	Related Bond:	[]/Fallback Bond
	(vi)	Fallback Bond:	[Applicable/Not Applicable]
	(vii)	Index Sponsor:	[]

	(viii)	Additional Disruption Events:	Change in Law: [Applicable/Not Applicable] Hedging Disruption: [Applicable/Not Applicable] Increased Cost of Hedging: [Applicable/Not Applicable] (*specify any further Additional Disruption Events)*
	(ix)	Other special terms and conditions:	[]
15.	Futures Contract-Linked Settlement Provisions (Condition 13)		[Applicable/Not Applicable] *(if Applicable, insert relevant provisions)*
	(i)	Futures Contract(s):	[*Specify name of futures contract*] [having an Expiry Date scheduled to fall [on] [immediately before] [immediately after] [●] [*specify date*]] (*In respect of each Scheduled Reference Date and Scheduled Averaging Date, where the final settlement price is being referenced, the Scheduled Reference Date or Scheduled Averaging Date (as applicable) should be expressed as "The Expiry Date"*) (*if Single Futures Contract Securities, delete sub-paragraph below*)
	(ii)	Scheduled Trading Days and Disrupted Days:	[Common Scheduled Trading Days and Common Disrupted Days: Applicable] [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable] [Common Scheduled Trading Days and Individual Disrupted Days: Applicable] (*select one as appropriate and delete other two*)
	(iii)	Futures Contract Underlier(s):	[●] [None specified]
	(iv)	Exchange:	[●]
	(v)	Benchmark Trigger Provisions:	[Applicable] [Not Applicable]
	(vi)	Alternative Pre-nominated Futures Contract[s]:	[●] [None][*Specify*] (*specify in respect of each Relevant Futures Contract Benchmark*)
	(vii)	Determination Agent responsible for calculating the Interest Amount and the Cash Settlement Amount:	[●]
	(viii)	Provisions for determining Cash Settlement Amount:	[●]
	(ix)	Provisions for determining Cash Settlement Amount where	[●]

		calculation by reference to Futures Contract and/or other variable is impossible or impracticable or otherwise disrupted:	
	(x)	Specified Number of Scheduled Trading Days:	[●] [As per Condition 13.7]
	(xi)	Specified Number of Common Scheduled Trading Days:	[●] [As per Condition 13.7]
	(xii)	Futures Contract Adjustment Events:	[Price Source Disruption] [Trading Restriction] [Disappearance of Futures Contract or Settlement Price] [Material Change in Formula] [Material Change in Content] [Tax Disruption] [Change of Exchange] [Illiquidity Event]
	(xiii)	Adjustments for Futures Contract Adjustment Events:	(*Specify criteria for replacement of futures contract contemplated by Condition 13.4, if any)*
	(xiv)	Additional Disruption Events:	[Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
	(xv)	Correction Cut-Off Time:	[●]
	(xvi)	Weighting for each Futures Contract comprising the Basket of Futures Contracts:	[*Insert details*] [N/A]
	(xvii)	Averaging Date(s):	[●]
	(xviii)	Averaging Date Disruption:	[Omission/Postponement/Modified Postponement]
	(xix)	Observation Date(s):	[●]
	(xx)	Valuation Date(s):	[●]
	(xxi)	Determination Date(s):	[●]
	(xxii)	Determination Time:	[●]
16.	Property-Linked Settlement Provisions		[Applicable/Not Applicable]
	(Condition 14)		*(if Applicable, insert relevant provisions)*
	(i)	Benchmark Trigger Provisions:	[Applicable][Not Applicable]
	(ii)	Alternative Pre-nominated Index:	[None][*Specify*] (*specify in respect of each Relevant Property Index Benchmark*)
17.	Fund-Linked Settlement Provisions		[Applicable/Not Applicable]
	(Condition 15)		*(if Applicable, insert relevant information specified below, if Not Applicable, delete sub-paragraphs below)*

(i)	Fund:	[]⁵¹ *(specify)*
(ii)	Fund Interest:	[] (*ISIN: []*) *(specify)*
(iv)	Basket of Funds:	[] *(specify or delete if not applicable, include any relevant weightings of each Fund)* (*if Basket of Funds is Not Applicable, delete sub-paragraph below*)
(v)	Fund Business Days and Disrupted Days:	[Common Fund Business Days and Common Disrupted Days: Applicable] [Individual Fund Business Days and Individual Disrupted Days: Applicable] [Common Fund Business Days and Individual Disrupted Days: Applicable] (*select one as appropriate and delete other two*)
(vi)	Market of Listing for Fund:	[]/[Not Applicable]
(vii)	Determination Agent responsible for calculating the Cash Settlement Amount:	[]
(viii)	Provisions for determining Cash Settlement Amount:	[]
(ix)	Cut-off Period: (Condition 15.1)	[] *(specify or delete if not applicable or if fallback is applicable)*
(x)	Final Cut-off Date: (Condition 15.1)	[] *(specify)*
(xi)	Valuation Date(s): (Condition 15.1)	[] *(specify or delete if not applicable or if fallback is applicable)*
(xii)	Averaging Date: (Condition 15.1)	[] *(specify or delete if not applicable or if fallback is applicable)*
(xiii)	Observation Date(s): (Condition 15.1)	[] *(specify or delete if not applicable or if fallback is applicable)*

[51] In order for Warrants or Certificates to be listed on Euronext Dublin: (i) there must be a publically available price source for the Fund and (ii) the Fund must be either (a) a UCITS or (b) an investment fund authorised by the CBI or other competent authority of an EU member state.

	(xiv)	Determination Date(s): (Condition 15.1)	[] *(specify or delete if not applicable or if fallback is applicable)*
	(xv)	Scheduled Fund Valuation Date(s):	[] *(specify or delete if not applicable or if fallback is applicable)*
	(xvi)	Scheduled Redemption Valuation Date:	[] *(specify or delete if not applicable or if fallback is applicable)*
	(xvii)	Redemption Notice Date:	[] *(specify or delete if not applicable or if fallback is applicable)*
	(xviii)	Reference Price:	[Reported Net Asset Value][Redemption Proceeds] (*specify in respect of a Fund Interest*)
	(xix)	Non-Applicable Fund Event(s): (Condition 15.4)	[Not Applicable][] (*specify if any Fund Events are not applicable*)
	(xx)	Additional Fund Event(s):	[Not Applicable][] *(specify)*
	(xxi)	Fund Event Unscheduled Termination:	[Applicable][Not Applicable]
	(xxii)	Successor Fund Interest Minimum Aggregate NAV:	[*specify*][As set out in Condition 15.4]
	(xxiii)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment/ Other (*give details*)]
	(xxiv)	Additional Business Centre(s):	[]
	(xxv)	Other terms:	[] *(insert any other relevant terms)*
18.	Bond-Linked Settlement Provisions (Condition 16)		[Applicable/Not Applicable] [] (*if applicable, insert relevant provisions)*
	Exchange(s):		[[]/Not Applicable][52]

[52] In order for the Securities to be listed on Euronext Dublin the Relevant Underlying must be traded on a regulated, regularly operating, recognised open market. In order for the Securities to be listed on GSX the Relevant Underlying must be listed on a trading venue.

19.	ETN-Linked Settlement Provisions		[Applicable/Not Applicable]
	(Condition 17)		[]
			(*if applicable, insert relevant provisions)*
	(i)	Exchange(s):	[]

EXERCISE

20.	Expiration Date:		[]
21.	Latest Exercise Time:		[] [*(local time in the place of the Specified Office of the [Securities Agent/Securities Registrar])*]
22.	Minimum Exercise Number:		[[]/Not Applicable]
	(Condition 6.10)		
23.	Permitted Multiple:		[[]/Not Applicable]
	(Condition 6.10)		
24.	Deemed Exercise:		[[]/Applicable/Not Applicable][53]
	(Condition 6.7)		

PROVISIONS RELATING TO SETTLEMENT

25.	Call Option		[Applicable/Not Applicable]
	(Condition 7)		(*If Not Applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Settlement Date(s):	[]
	(ii)	Optional Settlement Amount(s) of each Security and method, if any, of calculation of such amount(s):	[]
	(iii)	Maximum Call Notice Number of Day(s):	[] [calendar day[s]] / [Business Day[s]]
	(iv)	Minimum Call Notice Number of Day(s):	[5] [Business Day[s]] / [calendar day[s]][54]
	(v)	Non-discretionary Call Option:	[Applicable/Not Applicable]
26.	Autocallable Early Settlement		[Applicable/Not Applicable]
	(Condition 19)		
	(i)	Autocallable Early Settlement Observation Date(s):	[]
	(ii)	Autocallable Early Settlement Amount(s) of each Security and	[]

[53] Optional.
[54] Euroclear/Clearstream require a minimum of 5 Business Days' notice to exercise a call option.

		method and calculation of such amount(s):	
	(iii)	Autocallable Early Settlement Date:	[]
27.	Settlement Basis:		The Securities are [Physical/Cash] Settlement Securities.
	(Condition 5)		
28.	Physical Settlement Securities:		[Applicable/Not Applicable]
			(*If Not Applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Physical Settlement Date:	[As defined in Condition 2]/[]
	(ii)	Strike Price Payment Date:	[]
29.	Cash Settlement Securities:		[Applicable/Not Applicable]
30.	Strike Price:		[]
31.	Settlement Price:		[[]/Not Applicable]
32.	Valuation Time:		[]
33.	Valuation Date:		[]
			[In the event an Exercise Notice is sent by the holder of the Securities, the Business Day immediately following the date on which such Exercise Notice is effectively given]
			[]/[In the event an Exercise Notice is sent by the holder of the Securities, the Exercise Date]
34.	Averaging Dates:		[]
	[Averaging Date Disruption:		[Omission/Postponement/Modified Postponement]]
35.	Observation Date(s):		[]
36.	Strike Date:		[]
37.	Cash Settlement Payment Date:		[]
38.	Business Day Convention:		[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment/ Other (*give details*)]
39.	Additional Business Centre(s):		[]
40.	Other terms:		[]
			(insert any other relevant terms)

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

41.	Record Date:		[The Record Date is [one [55]] [Business Day/day/Clearing System Business Day] before the relevant due date for payment/Not Applicable]
42.	Determination Agent:		Morgan Stanley & Co. International plc/[] (*insert other Morgan Stanley Group entity*)
43.	Clearing System		[As defined in the Conditions] [Euroclear and Clearstream, Luxembourg] [The Securities are Swedish Securities] [The Securities are Finnish Securities] [Nordic Securities, specify relevant and Nordic Issuing and Paying Agent] Finnish Securities: Finnish CSD: Euroclear Finland Oy, Urho Kekkosen katu 5 C, Box 1110, FI-00101 Helsinki, Finland Swedish Securities: Swedish CSD: Euroclear Sweden AB, Klarabergsviadukten 63, Box 191, SE 101 23, Stockholm, Sweden. [Nordic Issuing and Paying Agent: [] (*give name and address*)
44.	Minimum Transfer Amount:		[]
45.	Inconvertibility Event Provisions:		[Applicable/Not Applicable]
	(Condition 20)		[Converted Payment][, Early Settlement][, Suspended Payment]
	(i)	Consequences of the occurrence of an Inconvertibility Event:	[Converted Payment]/[Early Settlement]/[Suspended Payment]
	(ii)	Inconvertibility Early Settlement Amount:	[Not Applicable] *[OR]* [*specify amount*] [Early Settlement Amount (Inconvertibility applies. For this purpose the Early Settlement Amount shall be: [[Fixed Redemption. The Specified Rate is []/[100] % and the Calculation Amount is []]] [Qualified Financial Institution Determination, provided that the words "Event of Default" in the definition thereof shall be deemed to be replaced with the words "Inconvertibility Event"] [Fair Market Value]

[55] This reflects the ICSMA standard of the clearing systems.

			[Fair Market Value Less Costs]]
	(iii)	Relevant Currency/ies:	[]
	(iv)	Relevant Jurisdiction:	[]
	(v)	Specified Currency:	[]
	(vi)	Inconvertibility Specified Currenc(y)/(ies):	[]
	(vii)	Settlement Rate Option:	[Currency Reference Dealers]/[Not Applicable]
	(viii)	Fallback FX Spot Rate:	[]
46.	Illegality and Regulatory Event:		
	(Condition 26)		
	Early Settlement Amount (Illegality and Regulatory Event):		[Early Settlement Amount (Illegality and Regulatory Event) – Fair Market Value Less Costs]/[Early Settlement Amount (Illegality and Regulatory Event) – Fair Market Value]
47.	Early Settlement Amount payable upon an event described in Condition [9.2(d)/9.4(a)(iii)/9.4(b)(iii)/9.5(c)/9.6(c)/9.7(c)/ 9.8(c)/10.4(c)/10.6(d)/ 10.7(d)/10.8(c)/11.5(a)(iii)/11.7(c)/12.2(e)/ 12.7(c)/13.3/13.8/13.9(c)/14.5(d)/15.3(c)/16.2(a)/20.1(a)]:		[Fair Market Value]/[Fair Market Value Less Costs.]
48.	CNY Center:		[[]/Not Applicable]
49.	Implementation of Financial Transaction Tax:		[Applicable/Not Applicable]
50.	Early Settlement Amount upon Event of Default:		[Fixed Redemption. The Specified Rate is [•]/[100] % and the Calculation Amount is [•]] [Qualified Financial Institution Determination]
51.	Other special terms and conditions:		[]

DISTRIBUTION

52.	(i)	If syndicated, names and addresses of Managers and underwriting commitments (and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)	[Not Applicable/[]] *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis.)*
	(ii)	[Date of [Subscription] Agreement:	[]]
	(iii)	Stabilising Manager(s) (*if any*):	[Not Applicable/[] (*give name)*]

53.	If non-syndicated, name and address of Dealer:	[Not Applicable/[] (*give name and address)*]
54.	U.S. Selling Restrictions:	Regulation S
55.	Additional selling restrictions:	[Not Applicable/[] (*give details)*]

UNITED STATES TAXATION

This discussion is limited to the U.S. federal tax issues addressed below. Additional issues may exist that are not addressed in this discussion and that could affect the federal tax treatment of an investment in the [Warrants/Certificates]. Holders should seek their own advice based upon their particular circumstances from an independent tax advisor.

A Non-U.S. Holder (as defined in the Offering Circular) should review carefully the section entitled "United States Federal Taxation" in the Offering Circular.

[**PURPOSE OF PRICING SUPPLEMENT**

This Pricing Supplement comprises the pricing supplement required to [issue]/[list and have admitted to trading on (specify relevant market) the issue of] the Securities described herein pursuant to the Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates.]

POTENTIAL SECTION 871(m) TRANSACTION

Please see paragraph 5 of Part B – Other Information to this Pricing Supplement for additional information regarding withholding under Section 871(m) of the Code.

[**NO MATERIAL ADVERSE CHANGE**

Except as disclosed in the Pricing Supplement and the [], there has been no significant change in the financial or trading position of the Issuer [and the Guarantor] and no material adverse change in the prospects of the Issuer's [and the Guarantor's] consolidated group since [].][56]

[**LAST TRADING DAY**: []][57]

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement. [(*Relevant third party information*) has been extracted from [] (*specify source*)]. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: …….
Duly authorised

[56] Delete for Securities which are not to be listed on the SIX Swiss Exchange. Do not include for Securities to be listed on any market in the EEA or in the UK.

[57] Delete for Securities which are not to be listed on the SIX Swiss Exchange.

PART B – OTHER INFORMATION

1. LISTING

Listing and admission to Trading:	[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Securities to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market with effect from [].] [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Securities to be admitted listing on the SIX Swiss Exchange and to be admitted to trading on the main segment of the SIX Swiss Exchange with effect from [].] [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Securities to be admitted to trading on [the Luxembourg Stock Exchange's Euro MTF market] and to be admitted to the Official List of the Luxembourg Stock Exchange with effect from [].] [Application [has been made/is expected to be made] by the Issuer (or on its behalf) to the Gibraltar Stock Exchange (GSX Limited) for the Securities to be listed on the Global Market of the Gibraltar Stock Exchange with effect from [].] [No assurances can be given that such application for listing and/or admission to trading will be granted (or, if granted, will be granted by [] [the Issue Date.]] [The Issuer has no duty to maintain the listing (if any) of the Securities on the relevant stock exchange(s) over their entire lifetime.] [Not Applicable.] [*Where documenting a fungible issue, indicate that original Securities are already admitted to trading.*]
[Last day of Trading:	[]]
[Estimate of total expenses related to admission to trading:	[]][58]

2. RATINGS

Ratings:	[The Securities to be issued have been rated: [S & P: []] [Moody's: []] [Fitch: []]

[58] Only applicable where the Warrants or Certificates are to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market and are "debt securities" under the rules of Euronext Dublin.

[[Other]: []]

(*The above disclosure should reflect the rating allocated to Securities of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.*)

[The Securities have not been rated.]]

3. **[PERFORMANCE OF EQUITY/INDEX/COMMODITY/CURRENCY/FUND/FUTURES CONTRACT/FORMULA/OTHER VARIABLE, AND OTHER INFORMATION CONCERNING THE UNDERLYING[59]**

[]

(Include details of where past and future performance and volatility of the relevant index/equity/currency/fund/formula/other variable can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where the underlying is a commodity please specify the market where the commodity regularly trades, where the relevant prices are published and how often such publication is made available. Where the underlying is neither an index nor a commodity, include equivalent information.])

The Issuer [intends to provide post-issuance information (*specify what information will be reported and where it can be obtained)*] [does not intend to provide post-issuance information with regard to the underlying].]

4. **OPERATIONAL INFORMATION**

ISIN:	[]
Common Code:	[]
[Valoren Number:	[]60
CFI:	[[]/Not Applicable]
FISN:	[[]/Not Applicable]
Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking société anonyme and the relevant identification number(s):	[Not Applicable/[] (*give name(s) and number(s)*)]
Delivery:	Delivery [against/free of] payment
Names and addresses of initial Securities Agent(s)/Securities Transfer Agent(s):	[]
Names and addresses of additional Securities Agent(s) and/or Securities Transfer Agent(s) (if any):	[]

[59] Only applicable where the Warrants or Certificates are to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market and are "derivative securities" under the rules of Euronext Dublin.

[60] Delete for Warrants or Certificates which are not to be listed on the SIX Swiss Exchange.

5.	**POTENTIAL SECTION 871(m) TRANSACTION**	[Not Applicable] / [The Issuer has determined that the [Warrants/Certificates] 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].] / [The Issuer has determined that the [Warrants/Certificates] should not be subject to withholding under section 871(m) of the Code because the Relevant Underlying is a "qualified index" under the applicable U.S. Treasury Regulations[, 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].] / [The [Warrants/Certificates] are U.S. equity linked [Warrants/Certificates] subject to withholding under section 871(m) of the Code.] [For further information please [call [•]] / [visit our website at [•]] / [write to [•]].]
6.	**Prohibition of Sales to EEA and UK Retail Investors**	[Applicable]/[Not Applicable] (*If the offer of the [Warrants/Certificates] do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the [Warrants/Certificates] may constitute "packaged" products and no "key information document" will be prepared, "Applicable" should be specified*)
7.	**DETAILS OF BENCHMARKS ADMINISTRATORS AND REGISTRATION UNDER BENCHMARKS REGULATION**	[Applicable]/[Not Applicable] [[*specify benchmark*] is administered by [*insert legal name of administrator*], who as at the Issue Date, appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks (Regulation (EU) 2016/2011) (the "**Benchmarks Regulation**").]/[[*specify benchmark*] is administered by [*insert legal name of administrator*], who as at the Issue Date, does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [*insert legal name of administrator*] is not currently required to obtain authorisation or registration (or if located outside the European Union, recognition, endorsement or equivalence).] *(repeat as appropriate)*"

FORM OF WARRANTS AND CERTIFICATES

Morgan Stanley may issue Certificates, and MSI plc, MSBV and MSFL may issue Warrants and Certificates, in registered form ("**Registered Warrants**" and "**Registered Certificates**", together, the "**Registered Securities**"). Registered Warrants and Registered Certificates may be in either individual certificate form or in global registered form. MSBV and MSI plc may also issue Warrants and Certificates in dematerialised and uncertificated book-entry form with a Nordic central securities depositary ("**Nordic Securities**").

Registered Securities

Registered Securities will be in global registered form ("**Global Registered Securities**") or individual registered form ("**Individual Registered Securities**"), in each case as specified in the applicable Pricing Supplement. Each Global Registered Security will be registered in the name of a common depositary (or its nominee) for the Relevant Clearing System and will be deposited on or about the issue date with the common depositary and will be exchangeable for Individual Registered Securities in accordance with its terms.

If the applicable Pricing Supplement specifies the form of Warrants or Certificates as being "**Individual Registered Securities**", then the Registered Securities will at all times be in the form of Individual Registered Securities issued to each Securityholder in respect of their respective holdings.

If the applicable Pricing Supplement specifies the form of Warrants or Certificates as being "**Global Registered Securities exchangeable for Individual Registered Securities**", then the Registered Securities will initially be in the form of a Global Registered Security which will be exchangeable in whole, but not in part, for Individual Registered Securities:

(a) on the expiry of such period of notice as may be specified in the applicable Pricing Supplement; or

(b) at any time, if so specified in the applicable Pricing Supplement; or

(c) if the applicable Pricing Supplement specifies "in the limited circumstances described in the Global Registered Security", then (i) if the Relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (ii) an Event of Default occurs with respect to any Warrant or Certificate in accordance with the Terms and Conditions of the Warrants and Certificates.

Whenever a Global Registered Security is to be exchanged for Individual Registered Securities, the Issuer shall procure that Individual Registered Securities will be issued in an aggregate nominal amount or number of Registered Securities equal to the nominal amount or number of Registered Securities represented by the Global Registered Security within five business days of the delivery, by or on behalf of the holder of the Global Registered Security to the Securities Registrar of such information as is required to complete and deliver such Individual Registered Securities (including, without limitation, the names and addresses of the persons in whose names the Individual Registered Securities are to be registered and the quantity of each such person's holding) against the surrender of the Global Registered Security at the specified office of the Securities Registrar such Individual Registered Securities will be issued within five business days of the delivery to the Registrar of the information and any required certification described in the preceding paragraph against the surrender of the relevant Global Registered Security at the Specified Office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Securities Agency Agreement and the regulations concerning the transfer and registration of Registered Securities scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Securities Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Registered Securities

The terms and conditions applicable to any Individual Registered Security will be endorsed on that Individual Registered Security and will consist of the terms and conditions set out under "*Terms and*

Conditions of the Warrants and Certificates" above and the provisions of the applicable Pricing Supplement which supplement, modify and/or replace those terms and conditions.

The terms and conditions applicable to any Global Registered Security will differ from those terms and conditions which would apply to the Registered Security were it in individual form to the extent described under "*Summary of Provisions relating to the Warrants and Certificates while in Global Form*" below.

Nordic Warrants and Certificates

Warrants and Certificates issued by MSBV or MSI plc and designated as "Finnish Warrants", "Finnish Certificates" or "Swedish Warrants" or "Swedish Certificates" in the applicable Pricing Supplement will be issued in uncertificated and dematerialised book-entry form in accordance with the Finnish or, as appropriate, Swedish legislation and all other applicable local laws, regulations and operating procedures applicable to and/or issued by the Finnish or, as appropriate, Swedish central securities depository from time to time (the "**NCSD Rules**") designated as registrar for the Nordic Warrants and Certificates in the applicable Pricing Supplement (the "**NCSD**"). No physical global or definitive Warrants or Certificates will be issued in respect of Nordic Warrants and Certificates. Payments of principal, interest (if any) or any other amounts on any Nordic Warrant or Certificate will be made through the NCSD in accordance with the NCSD Rules.

SUMMARY OF PROVISIONS RELATING TO THE WARRANTS AND CERTIFICATES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Registered Warrants and Registered Certificates (together, the "**Registered Securities**") (or any Tranche thereof) represented by a Global Registered Security, references in the "Terms and Conditions of the Warrants and Certificates" to "**Securityholder**" are references to the person in whose name such Global Registered Security is for the time being registered which, for so long as the Global Registered Security is held by or on behalf of a depositary or common depositary for the Relevant Clearing System, will be that depositary or common depositary.

Each of the persons shown in the records of the Relevant Clearing System as being entitled to an interest in a Global Registered Security (each an "**Accountholder**") must look solely to the Relevant Clearing System (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Registered Security and in relation to all other rights arising under such Global Registered Security, including any right to exchange any exchangeable Warrants or Certificates or any right to require the Issuer to repurchase such Warrants or Certificates. The respective rules and procedures of the Relevant Clearing System from time to time will determine the extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Registered Security and the timing requirements for meeting any deadlines for the exercise of those rights. For so long as the relevant Warrants or Certificates are represented by a Global Registered Security, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Warrants or Certificates and such obligations of the Issuer will be discharged by payment to the holder of the Global Registered Security, as the case may be, in respect of each amount so paid.

So long as the Relevant Clearing System or its nominee is the holder of a Global Registered Security, the Relevant Clearing System or such nominee, as the case may be, will be considered the sole owner of the Securities represented by such Global Registered Security for all purposes under the Securities Agency Agreement and such Warrants or Certificates, except to the extent that in accordance with the Relevant Clearing System's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Exchange of Global Registered Securities

Whenever a Global Registered Security is to be exchanged for Individual Registered Securities, the Issuer shall procure that the relevant quantity of Individual Registered Securities will be issued within five business days of the delivery, by or on behalf of the holder of the Global Registered Security to the Registrar of such information as is required to complete and deliver such Individual Registered Securities (including, without limitation, the names and addresses of the persons in whose names the Individual Registered Securities are to be registered and the quantity of each such person's holding) against the surrender of the Global Registered Security at the specified office of the Securities Registrar. Such exchange will be effected in accordance with the provisions of the Securities Agency Agreement and the regulations concerning the transfer and registration of Registered Securities scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Securities Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

(a) Individual Registered Securities have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Security; or

(b) any of the Warrants and Certificates represented by a Global Registered Security (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Warrants and Certificates, payment or delivery (as applicable) in full has not been made to the holder of the Global Registered Security in accordance with the terms of the Global Registered Security on the due date for payment or delivery (as applicable),

then 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above), each person shown in the records of the Relevant Clearing System as being entitled to interest in the Warrants or the Certificates (each an "**Accountholder**"), shall acquire rights under the Deeds of Covenant to enforce against the Issuer, the Issuer's obligations to the Securityholder in respect of the Warrants and Certificates represented by the Global Registered Security, including the obligation of the Issuer to make all payments and deliveries when due at any time in respect of such Warrants or Certificates as if such Warrants or Certificates had been duly presented and (where required by the Conditions) surrendered on the due date in accordance with the Conditions. Each Accountholder shall acquire such right without prejudice to any other rights which the Securityholder may have under the Global Registered Security and the Deeds of Covenant. Notwithstanding the rights that each Accountholder may acquire under the Deeds of Covenant, payment to the Securityholder in respect of any Warrants or Certificates represented by the Global Registered Security shall constitute a discharge of the Issuer's obligations to the extent of any such payment or delivery and nothing in the Deed of Covenant shall oblige the Issuer to make any payment or delivery under the Warrants or Certificates to or to the order of any person other than the Securityholder.

Conditions Applicable to Global Registered Securities

Each Global Registered Security will contain provisions which modify the terms and conditions set out in "*Terms and Conditions of the Warrants and Certificates*" as they apply to the Global Registered Security. The following is a summary of certain of those provisions:

Transfers of interests in the Warrants and Certificates: Any transfers of the interest of an Accountholder in any Warrants or Certificates that are represented by a Global Registered Security must be effected through the relevant Accountholder's account with Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (each a "**Clearing System**" or "**Relevant Clearing System**") and in accordance with the rules of the relevant Clearing System.

Exercise procedures: Subject to Condition

Condition 5.9 (*Warrants and Certificates void on expiry*) of the "*Terms and Conditions of the Warrants and Certificates*" and to prior termination of the Warrants and Certificates as provided in the Conditions, Warrants and Certificates may be exercised by an Accountholder (at his own expense) at such time and on such day(s) as provided in Condition 5.1 (*American Style Securities*), 5.2 (*European Style Securities*) or 5.3 (*Bermudan Style Securities*) of the "*Terms and Conditions of the Warrants and Certificates*" by delivery of a duly completed and signed Exercise Notice to (i) the Relevant Clearing System and (ii) the relevant Securities Agent or Securities Registrar, with a copy to the Determination Agent. Any such exercise shall be subject to the rules and procedures of the relevant Clearing System and any Exercise Notice will be irrevocable and may not be withdrawn by the Accountholder. The holder of the Global Registered Security (upon the exercise of the Warrant or Certificate in full) must, within the period specified therein for the deposit of the relevant Warrant or Certificate, deposit such Global Registered Security with the Securities Registrar.

Subject to Condition 5.9 (*Warrants and Certificate void on expiry*) of the "*Terms and Conditions of the Warrants and Certificates*", any Exercise Notice delivered after the Latest Exercise Time on any day shall: (a) in the case of Bermudan Style Securities and European Style Securities, be void and (b) in the case of American Style Securities, be deemed to have been delivered on the next following day on which such Securities are exercisable (unless no such day occurs on or prior to the Expiration Date, in which case that Exercise Notice shall be void).

Exercise dates and times: Exercise of Warrants and Certificates represented by a Global Registered Security may only be effected on a day on which the relevant Clearing System is open for business in addition to any other relevant day as provided in the Conditions. Such Registered Security must be exercised as provided in the "*Terms and Conditions of the Warrants and Certificate*" (as modified as set out below) by 10 a.m. in the place where the Relevant Clearing System through which the relevant Registered Securities are exercised (unless otherwise specified in the applicable Pricing Supplement).

Form of Exercise Notice: Each Exercise Notice shall be in the form (for the time being current) available from each Securities Agent or the Securities Registrar and must:

(a) specify the name, address, telephone, facsimile and telex details of the Accountholder in respect of the Registered Securities being exercised;

(b) specify the number of Registered Securities of the relevant Series being exercised by the Accountholder (which must not be less than the Minimum Exercise Number);

(c) specify the number of the Accountholder's account at the relevant Clearing System to be debited with the Registered Securities being exercised and irrevocably instruct, or, as the case may be, confirm that the Accountholder has irrevocably instructed, the relevant Clearing System to debit the Accountholder's account with the Registered Securities being exercised and credit the same to the account of the Principal Securities Agent (for the account of the Issuer);

(d) where applicable, specify the number of the Accountholder's account at the relevant Clearing System to be credited with the Cash Settlement Amount or the relevant Underlying Securities (as applicable) for the Registered Securities being exercised;

(e) include an irrevocable undertaking to pay any applicable Taxes due by reason of exercise of and an authority to the Issuer and the relevant Clearing System to deduct an amount in respect thereof from any Cash Settlement Amount due to such Accountholder or otherwise (on, or at any time after, the Cash Settlement Payment Date) and to debit a specified account of the Accountholder at the relevant Clearing System with an amount or amounts in respect thereof;

(f) in the case of Full Physical Settlement Securities, include an irrevocable instruction to the relevant Clearing System to debit the specified account of the Accountholder with an amount equal to the aggregate Strike Price in respect of the Registered Securities being exercised (and in the case of Bond-Linked Securities, any accrued interest, as specified in Condition 5.5(a) (*Full Physical Settlement Securities*)) on the Strike Price Payment Date and to credit such amount to the account of the Principal Securities Agent (for the account of the relevant Issuer); and

(g) authorise the production of such certification in any applicable administrative or legal proceedings.

Verification of Accountholder: To exercise any Registered Securities, the relevant Accountholder must duly complete an Exercise Notice. The relevant Clearing System shall, in accordance with its normal operating procedures, verify that each person exercising Registered Securities is the Accountholder thereof according to the records of such Clearing System and that such Accountholder has an account at the relevant Clearing System which contains Registered Securities in an amount being exercised and funds equal to any applicable Taxes in respect of the Registered Securities being exercised.

If, in the determination of the relevant Clearing System, the relevant Securities Agent or the Securities Registrar:

(a) the Exercise Notice is not complete or not in proper form;

(b) the person submitting an Exercise Notice is not validly entitled to exercise the relevant Registered Securities or not validly entitled to deliver such Exercise Notice; or

(c) sufficient Registered Securities and sufficient funds equal to any applicable Taxes are not available in the specified account(s) with the relevant Clearing System on the Exercise Date,

that Exercise Notice will be treated as void and a new duly completed Exercise Notice must be submitted if exercise of the Accountholder's Registered Securities is still desired.

Any determination by the relevant Clearing System, the relevant Securities Agent or the Securities Registrar as to any of the matters set out above shall, in the absence of manifest error, be conclusive and binding upon the Issuer, the Accountholder and the beneficial owner of the Registered Securities exercised.

Notification to the relevant Securities Agent or the Securities Registrar: Subject to the verification set out above, the relevant Clearing System will:

(a) confirm to the Securities Registrar (copied to the Issuer and the Determination Agent) the number of Registered Securities being exercised and the number of the account to be credited with the Cash Settlement Amount; and

(b) promptly notify the common depositary of receipt of the Exercise Notice and the number of the Registered Securities to be exercised.

Upon exercise of less than all of the Registered Securities represented by the Global Registered Security, the Securities Registrar will note such exercise in the Register relating to such Global Registered Security and the aggregate nominal amount or number of Registered Securities so exercised as represented by the Global Registered Security shall be cancelled *pro tanto*.

Debit of Accountholder's Account: The relevant Clearing System will on or before the Cash Settlement Payment Date debit the relevant account of the Accountholder and credit the relevant account of the Principal Securities Agent (in favour of the Issuer) with: (i) the Registered Securities being exercised, (ii) any applicable Taxes (if any) in respect of the Registered Securities being exercised and (iii) any other amounts as may be specified in the applicable Pricing Supplement.

If any of the items set out in the paragraph above are not so credited to the relevant account of the Principal Securities Agent (in favour of the Issuer), then the Issuer shall be under no obligation to make any payment of any nature to the relevant Accountholder in respect of the Registered Securities being exercised, and the Exercise Notice delivered in respect of such Registered Securities shall thereafter be void for all purposes.

Effect of Exercise Notice: Delivery of an Exercise Notice shall constitute an irrevocable election and undertaking by the Accountholder to exercise the Registered Securities specified therein, provided that the person exercising and delivering such Exercise Notice is the person then appearing in the records of the relevant Clearing System as the holder of the relevant Registered Securities. If the person exercising and delivering the Exercise Notice is not the person so appearing, such Exercise Notice shall for all purposes become void and shall be deemed not to have been so delivered.

After the delivery of an Exercise Notice (other than an Exercise Notice which shall become void) by an Accountholder, such Accountholder shall not be permitted to transfer either legal or beneficial ownership of the Registered Securities exercised thereby. Notwithstanding this, if any Accountholder does so transfer or attempt to transfer such Registered Securities, the Accountholder will be liable to the Issuer for any losses, costs and expenses suffered or incurred by the Issuer including those suffered or incurred as a consequence of it having terminated any related hedging operations in reliance on the relevant Exercise Notice and subsequently: (i) entering into replacement hedging operations in respect of such Securities; or (ii) paying any amount on the subsequent exercise of such Registered Securities without having entered into any replacement hedging operations.

Payments: All payments in respect of a Global Registered Security which, in accordance with the "*Terms and Conditions of the Warrants and Certificates*", require presentation and/or surrender of an Individual Registered Security will be made against presentation and (in the case of payment in full) and/or surrender of the Global Registered Security at the Specified Office of the Principal Securities Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Warrants and Certificates. On each occasion on which a payment is made in respect of a Global Registered Security, the Issuer shall procure that the same is entered pro rata in the records of the Relevant Clearing System. Any payments shall be made in accordance with the rules and procedures of the relevant Clearing System and the Issuer. the Securities Agents, the Securities Registrar and the Securities Transfer Agent, shall not be liable, under any circumstance, for any acts or defaults of any Clearing System in the performance of the Clearing System's duties in relation to the Warrants and the Certificates.

Payment Record Date: Each payment in respect of a Global Registered Security will be made to the person shown as the holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each relevant Clearing System for which the Global Registered Security is being held is open for business.

Notices: Notwithstanding Condition 27 (*Notices*) of the "*Terms and Conditions of the Warrants and Certificates*", while all the Registered Securities are represented by a Global Registered Security and the Global Registered Security is deposited with a Clearing System, notices to Accountholders may be given by delivery of the relevant notice to the Relevant Clearing System and, in any case, such notices shall be deemed to have been given to the Accountholders in accordance with Condition 27 (*Notices*) of the "*Terms and Conditions of the Warrants and Certificates*", as applicable, on the date of delivery to the Relevant Clearing System.

BENEFIT PLAN INVESTORS

The Program Securities may not be acquired or held by, or acquired with the assets of, any employee benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or any individual retirement account or plan subject to section 4975 of the Code or any entity whose underlying assets include "plan assets" within the meaning of section 3(42) of ERISA by reason of any such employee benefit plan's, account's or plan's investment therein.

The Global Registered Notes and Global Registered Securities will bear a legend to the following effect:

THE INVESTOR SHALL BE DEEMED TO REPRESENT BY ITS ACQUISITION AND HOLDING OF AN INTEREST HEREIN THAT IT IS NOT ACQUIRING THE NOTE WITH THE ASSETS OF ANY EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), ANY INDIVIDUAL RETIREMENT ACCOUNT OR PLAN SUBJECT TO SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, OR ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF SECTION 3(42) OF ERISA BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S, ACCOUNT'S OR PLAN'S INVESTMENT THEREIN.

DESCRIPTION OF SIENNA FINANCE UK LIMITED AND THE SIENNA FINANCE UK LIMITED PREFERENCE SHARES

Preference Share-Linked Notes may be issued under the Program, where the Preference Shares are preference shares issued by Sienna Finance UK Limited ("**Sienna UK**"). Set out below is a description of Sienna UK. References in this section to the "**Preference Shares**" shall be a reference to preference shares issued by Sienna UK which are specified as being the "Preference Shares" in the applicable Pricing Supplement relating to the relevant Preference Share-Linked Notes.

Sienna Finance UK Limited

Sienna UK is a private company limited by shares and was incorporated under the Companies Act 2006 on 18 February 2010 (with registered number 07162508). Sienna UK is governed by the laws of England and Wales and has its registered office at 35 Great St. Helen's, London, EC3A 6AP, United Kingdom.

The sole business activity of Sienna UK is to issue redeemable preference shares. Accordingly, Sienna UK does not have any trading assets and does not generate any significant net income.

A copy of Sienna UK's constitutional documents, its non audited, non consolidated annual financial statements, when published, and the Terms of the Preference Shares (as defined below) are available (free of charge) from the registered office of Sienna UK.

The Preference Shares

Sienna UK will from time to time issue tranches of 100 redeemable preference shares with a par value of £0.01 each. The preference shares will be issued fully paid to Intertrust Corporate Services Limited and at a premium of £0.99, for total consideration of £1.00 each.

Sienna UK may issue redeemable preference shares of any kind (the "**Preference Shares**"), including but not limited to preference shares linked to a specified index or basket of indices, share or basket of shares, currency or basket of currencies, fund unit or share or basket of fund units or shares or to such other underlying instruments, bases of reference or factors (the "**Preference Share Underlying**") and on such terms as may be determined by Sienna UK and specified in the applicable Specific Terms and Conditions of the relevant series of preference shares (the "**Terms of the Preference Shares**").

The Terms of the Preference Shares also provide that Sienna UK may redeem the Preference Shares early if:

(a) the calculation agent in respect of the Preference Shares (the "**Preference Shares Calculation Agent**") determines that for reasons beyond Sienna UK's control, the performance of its obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or

(b) any event occurs in respect of which the provisions of the Terms of the Preference Shares relating to any adjustment, delay, modification, cancellation or determination in relation to the Preference Share Underlying, the valuation procedure for the Preference Share Underlying or the Preference Shares provide that the Preference Shares may be redeemed or cancelled; or

(c) a change in applicable law or regulation occurs that in the determination of the Preference Share Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in Sienna UK being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by Sienna UK to be onerous to it; or

(d) Sienna UK is notified that the Notes have become subject to early redemption.

The performance of the Preference Shares depends on the performance of the Preference Share Underlying to which the Preference Shares are linked. In determining the value of the Preference Shares, the

Determination Agent shall employ the calculation procedure and methodology set out in the applicable Terms of the Preference Shares.

UNITED STATES FEDERAL TAXATION

This discussion is limited to the U.S. federal tax issues addressed below. Additional issues may exist that are not addressed in this discussion and that could affect the U.S. federal tax treatment of the transaction or the holders. Investors should seek their own advice based upon their particular circumstances from an independent tax advisor.

The following are certain of the U.S. federal income and estate tax consequences of ownership and disposition of the Program Securities to Non-U.S. Holders (as defined below). This summary is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date hereof, changes to any of which subsequent to the date of this Offering Circular may affect the tax consequences described herein. As used herein, the term "Non-U.S. Holder" means a person that for U.S. federal income tax purposes is a beneficial owner of a Program Security and is:

- an individual who is classified as a nonresident alien;
- a foreign corporation; or
- a foreign estate or trust.

The term "Non-U.S. Holder" does not include any of the following persons:

- an individual present in the United States for 183 days or more in the taxable year of disposition;
- certain former citizens or residents of the United States;
- a person for whom income or gain in respect of the Program Securities is effectively connected with the conduct of a trade or business in the United States; or
- a person who has a "tax home" (as defined in section 911(d)(3) of the Code) or an office or other fixed place of business in the United States.

Special rules may also apply to corporations that for U.S. federal income tax purposes are treated as personal holding companies, controlled foreign corporations, or passive foreign investment companies.

Such holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of a Program Security.

If an entity that is classified as a partnership holds a Program Security, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. Partners of partnerships holding Program Securities should consult their tax advisors regarding the U.S. federal income tax consequences of owning and disposing of a Program Security.

Notes

Interest. The following discussion under "—Interest" applies to Notes treated as indebtedness of the relevant Issuer for U.S. federal income tax purposes. The Issuers intend to treat Notes for which the principal amount payable in cash at maturity or upon early settlement equals or exceeds the issue price (i.e., the first price at which a substantial amount of the Notes of the relevant series is sold to the public) as indebtedness for U.S. federal income tax purposes. There can be no assurance that the IRS or a court will agree. Except as otherwise discussed below in "—section 897 of the Code," "—Dividend Equivalent Amounts," "—FATCA" and "—Backup Withholding and Information Reporting," or otherwise indicated in an applicable Pricing Supplement, a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on payments of principal, or interest (including original issue discount, if any) on a Note, or on proceeds from the sale or other disposition of a Note, **provided that**, in the case of a Note issued by Morgan Stanley or MSFL, for U.S. federal income tax purposes:

- the holder does not own (directly or by attribution) ten per cent. or more of the total combined voting power of all classes of stock of Morgan Stanley entitled to vote;

- the holder is not a bank holding the Notes in the context of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;
- the Non-U.S. Holder is not a controlled foreign corporation related, directly or indirectly, to Morgan Stanley through stock ownership;
- the holder has complied with all U.S. tax identification and certification requirements; and
- in the case of Exchangeable Notes, the Exchangeable Note is exchangeable only into securities that are actively traded, a basket of securities that are actively traded or an index or indices of securities that are actively traded.

The certification requirements referred to in the preceding paragraph will be fulfilled if the beneficial owner of the Notes (or a financial institution holding a Note on behalf of the beneficial owner) furnishes a U.S. Internal Revenue Service ("**IRS**") Form W-8BEN or W-8BEN-E (or with respect to certain holders, other appropriate forms), on which, among other things, the beneficial owner certifies under penalties of perjury that it is not a United States person, as defined in the Code.

No opinion is expressed herein as to the U.S. federal income or withholding tax consequences of the ownership or disposition of any property received in exchange for an Exchangeable Note.

Certain Notes Linked to Commodity Prices, Single Securities, Baskets of Securities, Indices, Exchange Traded Funds or other Funds, Currencies and Credit-Linked Notes. The U.S. federal income tax consequences to a Non-U.S. Holder of the ownership and disposition of Notes that have principal or interest determined by reference to commodity prices, securities of entities not affiliated with the relevant Issuer, baskets of securities or indices, exchange traded funds or other funds, currencies or the credit of entities not affiliated with the relevant Issuer may vary depending upon the exact terms of the Notes and related factors. However, the Issuers intend to treat Credit-Linked Notes, or other linked Notes that pay coupons periodically at an unconditional fixed rate and provide for a payment at maturity or early settlement (other than the stated coupon) that is determined by reference to the performance of a Relevant Underlying and thus may be lower than, but cannot exceed, their issue price, as a unit consisting of (i) a put right written by you to us that, upon the occurrence of certain events, requires you to pay to us an amount equal to the deposit (as described in sub-paragraph (ii)), in exchange for a cash amount based on the value of the Relevant Underlying, and (ii) a deposit with us of a fixed amount of cash to secure your obligation under the put right. Based on this treatment, a portion of the periodic payments on the Notes will be treated as interest on the deposit, and the remainder will be attributable to the premium on the put right. Except as otherwise discussed below in "—section 897 of the Code," "—Dividend Equivalent Amounts," "—FATCA" and "—Backup Withholding and Information Reporting," or otherwise indicated in an applicable Pricing Supplement, the Issuers do not expect payments on the Notes to be subject to any U.S. federal withholding tax, provided that, if the Notes are treated in whole or in part as indebtedness (including the deposit described above) issued by Morgan Stanley or MSFL for U.S. federal income tax purposes, the conditions (including the certification requirements) described above under "—Interest" are met. However, Notes of the type described in this paragraph may be subject to rules that differ from the general rules discussed above.

Other Income Coupons. The following discussion under "—Other Income Coupons" applies to Notes issued by Morgan Stanley or MSFL that pay periodic coupons and are not described above in "—Interest" or in "—Certain Notes Linked to Commodity Prices, Single Securities, Baskets of Securities, Indices, Exchange Traded Funds or other Funds, Currencies and Credit-Linked Notes." The U.S. federal tax treatment of such Notes is unclear due to the absence of statutory, judicial or administrative authorities that directly address such Notes or similar securities, and no ruling is being requested from the IRS with respect to such Notes. Significant aspects of the U.S. federal income tax consequences of an investment in such Notes are uncertain, and no assurance can be given that the IRS or a court will agree with the tax treatment described herein. Accordingly, investors should consult their tax adviser regarding the U.S. federal income tax consequences of an investment in such Notes (including possible alternative treatment thereof).

A Non-U.S. Holder should expect that a withholding agent will treat any coupon payments made by or on behalf of Morgan Stanley or MSFL as subject to U.S. federal withholding tax at a rate of 30 per cent., unless the Non-U.S. Holder establishes an exemption under the "other income" provision of a Qualifying Treaty (as defined below) or, to the extent that any portion of a coupon payment is treated as interest for U.S. federal income tax purposes, an exemption under the "portfolio interest exemption" rules as described below.

An income tax treaty between a non-U.S. jurisdiction and the United States is a "**Qualifying Treaty**" if it provides for a 0 per cent. rate of tax on "other income" earned by a resident of the non-U.S. jurisdiction from sources within the United States. For example, under current law, the United States' tax treaties with Japan, Germany and the United Kingdom are Qualifying Treaties. Accordingly, if the Non-U.S. Holder is a resident of a non-U.S. jurisdiction that qualifies for benefits under such a Qualifying Treaty, the Non-U.S. Holder should generally be eligible for an exemption under the "other income" provision referred to above if such Non-U.S. Holder complies with the certification requirement described below. However, because most income tax treaties contain complex eligibility rules and limitations, a Non-U.S. Holder should consult its tax advisor about its eligibility for this exemption.

To demonstrate its eligibility for the "other income" exemption to the Issuer or an applicable withholding agent, a Non-U.S. Holder generally will be required to provide a properly completed appropriate IRS Form W-8BEN or W-8BEN-E certifying that it is not a U.S. person and that it is eligible for the benefits of a Qualifying Treaty (or, if the Non-U.S. Holder holds its Notes through certain qualified intermediaries, it may be permitted to provide alternative documentation in lieu of the appropriate IRS Form W-8BEN or W-8BEN-E to establish that it is not a U.S. person and that it is eligible for the benefits of a Qualifying Treaty). A Non-U.S. Holder providing a properly completed appropriate IRS Form W-8BEN or W-8BEN-E as discussed in this paragraph may provide its foreign taxpayer identifying number issued by its country of residence in lieu of its U.S. taxpayer identifying number.

Notwithstanding the discussion above, because the U.S. federal income tax treatment of the Notes is unclear, any coupon payments on such Notes could alternatively be treated in whole or part as payments of interest. Nonetheless, even if the coupon payments are treated in whole or in part as interest and thus not eligible for the "other income" exemption described above, under current law and administrative practice a Non-U.S. Holder generally will qualify for the "portfolio interest exemption" with respect to the coupon payments, provided that the conditions for the exemption set forth in "—Interest" above (including the certification requirement) are met. Non-U.S. Holders should consult their tax advisors regarding their eligibility for any applicable exemption from withholding in light of their particular circumstances.

Certification Requirement. The certification requirement referred to in the discussion above regarding the "portfolio interest exemption" will be fulfilled if the beneficial owner of a Note (or a financial institution holding a Note on behalf of the beneficial owner) furnishes to the applicable withholding agent an IRS Form W-8BEN or W-8BEN-E (or other appropriate form), on which the beneficial owner certifies under penalties of perjury that it is not a U.S. person.

Future Withholding. It is possible that any future Treasury regulations or other guidance could materially and adversely affect the withholding tax consequences of ownership and disposition of the Notes, possibly with retroactive effect, and that in the event of a change of law or any formal or informal guidance by the IRS, the U.S. Treasury Department or Congress, we or a withholding agent may decide to withhold on a portion or the entire amount of payments made with respect to the Notes to Non-U.S. Holders and no additional amounts will be payable with respect to any such withholding. Prospective investors should consult their tax advisers regarding all aspects of the U.S. federal income tax consequences of an investment in the Notes

Warrants and Certificates

Except as otherwise discussed in "—Other Income Coupons", "—section 897 of the Code", "—Dividend Equivalent Amounts", "—FATCA" and "—Backup Withholding and Information Reporting," or otherwise indicated in an applicable Pricing Supplement, a Non-U.S. Holder generally will not be subject to United States federal income, or withholding tax on payments on a Warrant or Certificate, or on proceeds from the sale or other disposition of a Warrant or Certificate.

The U.S. federal income tax consequences to a Non-U.S. Holder of the ownership and disposition of Warrants and Certificates may vary depending upon the exact terms of the Warrants and Certificates and related factors. Warrants and Certificates may be subject to rules that differ from the general rules discussed above. In these instances, an applicable Pricing Supplement will disclose such special rules.

Section 897 of the Code

No opinion is expressed herein as to whether any issuer of any shares to which a Program Security relates (such shares hereafter referred to as "**Underlying Shares**") is treated as a "U.S. real property holding

corporation" ("**USRPHC**") within the meaning of section 897 of the Code. If any issuer of Underlying Shares were so treated, certain adverse U.S. federal income tax consequences might apply upon the sale, exchange or other disposition of a Program Security (including potential U.S. withholding tax, notwithstanding the discussions above). Holders should refer to information filed with the Securities and Exchange Commission or other governmental authorities by the issuers of the Underlying Shares and consult their tax advisors regarding the possible consequences to such holders if any such issuer is or becomes a USRPHC.

Dividend Equivalent Amounts

Section 871(m) of the Code and Treasury regulations promulgated thereunder ("**Section 871(m)**") impose a withholding tax of 30 per cent. (or lower treaty rate applicable to dividends) on certain "dividend equivalents" paid or deemed paid to Non-U.S. Holders with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities. Subject to the discussion below concerning Program Securities issued before January 1, 2023, a Program Security linked to U.S. equities or indices that include U.S. equities (a "U.S. equity linked Program Security") will generally be subject to the Section 871(m) withholding regime if at issuance it (i) has a "delta" of 0.80 or higher with respect to the underlying U.S. equity or (ii) substantially replicates the economic performance of the underlying U.S. equity, as determined by a "substantial equivalence" test that, among other factors, takes into account the initial number of shares of the underlying U.S. equity needed to hedge the transaction fully. The tests described above are set forth in the regulations, and the applicable test will depend on the terms of the relevant U.S. equity linked Program Security. Under these rules, withholding may apply even where the relevant U.S. equity linked Program Security does not provide for any payment that is explicitly linked to a dividend. The regulations provide for certain exceptions to the withholding requirements, in particular for instruments linked to certain broad-based indices (a "qualified index") that meet standards set forth in the regulations, as well as certain securities that track a qualified index.

Pursuant to an IRS notice, Section 871(m) will not apply to Program Securities issued before January 1, 2023 that do not have a "delta" of one with respect to any U.S. equity. If the terms of a U.S. equity linked Program Security are significantly modified (including in the event that the Issuer substitutes another entity in place of the Issuer as principal debtor under the Program Security) and if such modification or substitution results in a deemed exchange of the Program Security for U.S. federal income tax purposes, the U.S. equity linked Program Security will generally be treated as reissued at the time of the significant modification. Under proposed Treasury Regulations (which taxpayers can rely on prior to their finalization if the taxpayers apply them consistently), certain "benchmark" rate replacements would not give rise to deemed exchanges for U.S. federal income tax purposes, provided that certain conditions set forth in the proposed regulations are met.

The calculations of "delta" are generally made at the "calculation date," which is the earlier of (i) the time of pricing of the Program Security, i.e., when all material terms have been agreed on, and (ii) the issuance of the Program Security. However, if the time of pricing is more than 14 calendar days before the issuance of the Program Security, the calculation date is the date of the issuance of the Program Security. In those circumstances, information regarding the Issuer's final determinations for purposes of Section 871(m) may be available only after the issuance of the Program Security. As a result, a Non-U.S. Holder should acquire such a Program Security only if it is willing to accept the risk that the Program Security is treated as subject to withholding.

The amount of a "dividend equivalent" is equal to, for a "simple" contract, the product of (a) the per-share dividend amount, (b) the number of shares of the underlying U.S. equity referenced in the U.S. equity linked Program Security and (c) the delta, and, for a "complex" contract, the product of (a) the per-share dividend amount and (b) the initial hedge.

The dividend equivalent amount will be determined on the earlier of (a) the record date of the dividend and (b) the day prior to the ex-dividend date. The dividend equivalent amount will include the amount of any actual or, under certain circumstances, estimated dividend. If a Program Security is subject to withholding in respect of dividend equivalents, withholding will, depending on the applicable withholding agents' circumstances, generally be required either (i) on the underlying dividend payment date or (ii) when cash payments are made on the relevant U.S. equity linked Program Security or upon the date of maturity, lapse or other disposition thereof by the Non-U.S. Holder.

The relevant Issuer will determine whether a U.S. equity linked Program Security is subject to withholding under Section 871(m). If the Issuer has determined, as specified in the Pricing Supplement, that a U.S. equity linked Program Security should not be subject to withholding under Section 871(m), the Issuer will be deemed to instruct its agents and withholding agents that no withholding is required, unless such agent or withholding agent knows or has reason to know otherwise. If withholding is required, the relevant Issuer will not be required to pay any additional amounts with respect to the amounts so withheld.

An Issuer's determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on the Non-U.S. Holder's particular circumstances. For example, the application of Section 871(m) may be affected if a Non-U.S. Holder enters into another transaction in connection with the acquisition of a U.S. equity linked Program Security. Accordingly, Non-U.S. Holders should consult their tax advisors regarding the potential application of Section 871(m) to the Program Securities in their particular circumstances.

FATCA

Legislation commonly referred to as "FATCA" generally imposes a withholding tax of 30 per cent. on payments to certain non-U.S. entities (including financial intermediaries) with respect to certain financial instruments, unless various U.S. information reporting and due diligence requirements have been satisfied. An intergovernmental agreement between the United States and the non-U.S. entity's jurisdiction may modify these requirements. FATCA generally applies to certain financial instruments that are treated as paying U.S.-source interest or dividends or other U.S.-source "fixed or determinable annual or periodical" income "FDAP income". Withholding (if applicable) applies to any payment of amounts treated as U.S.-source interest or dividend equivalents (as discussed above under "—Dividend Equivalent Amounts") on the Program Securities. The FATCA legislation imposes withholding also on any payment of gross proceeds of the disposition (including upon retirement) of Program Securities treated as providing for U.S.-source interest or dividends. However, under proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on them pending finalization) no withholding will apply to payments of gross proceeds (other than amounts treated as interest or other FDAP income). Although, under current law, payments of non-U.S. source income are not subject to withholding under FATCA, there is no assurance that future Treasury regulations will not impose such withholding with respect to certain "foreign passthru payments." The application of FATCA to Warrants and Certificates will be addressed in the applicable Pricing Supplement, where warranted. If withholding under current or future law applies to the Program Securities, the relevant Issuer will not be required to pay any additional amounts with respect to amounts withheld under FATCA. Non-U.S. Holders should consult their tax advisors regarding the potential application of FATCA to the Program Securities.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on the Program Securities as well as in connection with the proceeds from a sale, exchange or other disposition. A Non-U.S. Holder may be subject to backup withholding in respect of amounts paid to the Non-U.S. Holder, unless such Non-U.S. Holder complies with applicable certification procedures to establish that it is not a United States person for U.S. federal income tax purposes or otherwise establishes an exemption. Compliance with the certification procedures described above will satisfy the certification requirements necessary to avoid backup withholding. The amount of any backup withholding from a payment to a Non-U.S. Holder will be allowed as a credit against the Non-U.S. Holder's U.S. federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Estate Tax

Individual Non-U.S. Holders and entities the property of which is potentially includible in such an individual's gross estate for U.S. federal estate tax purposes (for example, a trust funded by such an individual and with respect to which the individual has retained certain interests or powers), should note that, absent an applicable treaty exemption, a Program Security that is treated as indebtedness for U.S. federal estate tax purposes will be treated as U.S. situs property subject to U.S. federal estate tax if payments on the Program Security, if received by the decedent at the time of death, would have been subject to U.S. federal withholding tax (even if the IRS Form W-8BEN or W-8BEN-E certification requirement described above were satisfied and not taking into account an elimination of such U.S. federal withholding tax due to the application of an income tax treaty or withholding under FATCA).

Absent an applicable treaty benefit, a Program Security that is not treated as indebtedness for U.S. federal estate tax purposes may be treated as U.S. situs property subject to U.S. federal estate tax. Non-U.S. Holders should consult their own tax advisors regarding the U.S. federal estate tax consequences of an investment in the Program Securities and the availability of benefits provided by an applicable estate tax treaty, if any.

UNITED KINGDOM TAXATION

The following disclosure applies only in respect of Program Securities issued by Morgan Stanley, MSI plc, MSBV or MSFL and not in respect of Program Securities issued by an Additional Issuer or any substitute issuer, and references in this section on United Kingdom taxation to "Notes", "Certificates" and "Warrants" and references to "Noteholders," "Certificateholders" and "Warrantholders" should be construed accordingly.

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Program Securities and is not intended to be exhaustive. The comments do not deal with other United Kingdom tax aspects of acquiring, holding, disposing of, or abandoning Program Securities. Transactions involving Program Securities, including the issue and subscription of Program Securities, any purchase or disposal or settlement of Program Securities, may have United Kingdom tax consequences for potential purchasers (including but not limited to, transfer taxes and possible withholding or deduction for or on account of United Kingdom tax from payments made in respect of the Program Securities). The tax consequences may depend, amongst other things, on the status of the potential investor and the terms and conditions of a particular Program Security as specified in the Pricing Supplement. It is based on current United Kingdom law and published practice of HM Revenue and Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments relate only to the position of persons who are absolute beneficial owners of the Program Securities. Prospective Securityholders and Noteholders should be aware that the particular terms of issue of any series of Program Securities as specified in the applicable Pricing Supplement may affect the tax treatment of that and other series of Program Securities.

The following is a general guide and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Prospective Securityholders and Noteholders who are in any doubt as to their tax position should consult their professional advisors about tax implications of purchasing and holding a Program Security, any transaction involving a Program Security, and any transaction involved in the exercise and settlement of a Program Security.

Securityholders and Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom are particularly advised to consult their professional advisors as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom withholding taxation aspects of payments in respect of the Program Securities. In particular, Securityholders and Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions (particularly in any jurisdiction where a Noteholder is resident or otherwise subject to taxation) in relation to payments in respect of the Program Securities even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

1. Notes - UK Withholding Tax on Interest Payments by the Issuers

Interest on Notes issued for a term of less than one year (and which are not issued under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more) may be paid by the relevant Issuer without withholding or deduction for or on account of United Kingdom income tax.

Interest on Notes issued for a term of one year or more (or under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more) may be paid by the relevant Issuer without withholding or deduction for or on account of United Kingdom income tax except in circumstances where such interest has a United Kingdom source. The location of the source of a payment is a complex matter. It is necessary to have regard to case law and HMRC practice which indicates that in determining the source of interest all relevant factors must be taken into account. HMRC has indicated that the most important factors in determining the source of a payment are those which influence where a creditor would sue for payment and has stated that the place where the Issuer does business and the place where its assets are located are relevant factors in this regard; however, HMRC has also indicated that, depending on the circumstances, other relevant factors may include the place of performance of the contract, the method of payment, the proper law of contract, the competent jurisdiction for any legal action, the location of any security for the debt and the residence of the Guarantor, although other factors may also be relevant.

Interest which has a United Kingdom source ("**UK interest**") may be paid by the relevant Issuer without withholding or deduction for or on account of United Kingdom income tax if the Notes in respect of which

the UK interest is paid constitute "quoted Eurobonds". Notes which carry a right to interest will constitute "quoted Eurobonds" provided they are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 Income Tax Act 2007 or are admitted to trading on a multilateral trading facility operated by a UK or other European Economic Area-regulated recognised stock exchange within the meaning of section 987 Income Tax act 2007. Notes will be regarded as "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by HMRC and either they are included in the United Kingdom's official list (within the meaning of Part 6 or the Financial Services and Markets Act 2000) or they are officially listed in a country outside the United Kingdom in which there is a recognised stock exchange in accordance with provisions corresponding to those generally applicable in European Economic Area States.

As Euronext Dublin, the Luxembourg Stock Exchange, the SIX Swiss Exchange and the Gibraltar Stock Exchange are recognised stock exchanges the Notes will, accordingly, constitute "quoted Eurobonds" provided they are and continue to be "listed on" (within the definition in the previous paragraph) those exchanges. The Notes will satisfy this requirement if they are and continue to be officially listed in Ireland, Luxembourg, Switzerland or Gibraltar in accordance with provisions corresponding to those generally applicable in European Economic Area States and are admitted to trading on the Global Exchange Market of Euronext Dublin, the Euro MTF market of the Luxembourg Stock Exchange, the main segment of the SIX Swiss Exchange or the Global Market of the Gibraltar Stock Exchange as applicable.

If the Notes do not constitute "quoted Eurobonds", payments of interest on the Notes may still be made without withholding or deduction for or on account of United Kingdom income tax, provided that the relevant Issuer is and continues to be authorised for the purposes of the Financial Services and Markets Act 2000 and its business is and continues to consist wholly or mainly of dealing in financial instruments (within the meaning of section 885 of the Income Tax Act 2007) as principal and that such payments are made in the ordinary course of that business.

In all other cases, UK interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty or to any other exemption which may apply.

2. ***Payments under Deed of Covenant***

Any payments made under the Deed of Covenant by the relevant Issuer may not qualify for the exemptions from UK withholding tax described above.

3. ***Payments by Guarantor***

If the Guarantor makes any payments in respect of interest on the Program Securities (or other amounts due under the Program Securities other than the repayment of amounts subscribed for the Program Securities) and such payments have a United Kingdom source, such payments may be subject to United Kingdom withholding tax at the basic rate (currently 20%) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. Whether such payments made by the Guarantor have a United Kingdom source is a complex matter and is likely to be determined by reference to similar factors to those set out in paragraph 1 above. Such payments by the Guarantor may not be eligible for the exemptions described in paragraph 1 above.

4. ***Other Rules relating to United Kingdom Withholding Tax***

Program Securities may be issued at an issue price of less than 100 per cent. of their principal amount. Whether any discount element on any such Program Securities will be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above, will depend on the precise terms of the Program Securities.

Where Program Securities are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Securityholders and Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or principal" which may prevail under any other law or which may be created by the terms and conditions of the Program Securities or any related documentation.

NETHERLANDS TAXATION

The following disclosure applies only in respect of Program Securities issued by MSBV and not in respect of Program Securities issued by Morgan Stanley, MSI plc, MSFL or an Additional Issuer or any substitute issuer. References in this section on Netherlands taxation to "Program Securities" refer only to Program Securities issued by MSBV and references to holders of Program Securities should be construed accordingly.

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Offering Circular and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Program Securities, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of this summary, the term "**entity**" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this summary refers to a holder of a Program Security, an individual holding a Program Security or an entity holding a Program Security, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Program Security.

Where the summary refers to "**The Netherlands**" or "**Dutch**" it refers only to the European part of the Kingdom of the Netherlands.

This summary does also not address the Netherlands tax consequences for a holder of Program Securities that is considered to be affiliated (*gelieerd*) to MSBV within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*). Generally, an entity is regarded as 'affiliated' for these purposes if it, either alone or as part of a collaborating group, can exercise decisive influence on the activities of MSBV (or if MSBV can, either alone or as part of a collaborating group, exercise such influence on the activities of the other entity, or if there is a third party, either alone or as part of a collaborating group, that can exercise such control over both MSBV and such other entity), which is in any event the case if one holds more than 50% of the statutory voting rights.

This summary does not address the tax consequences of any holder of Program Securities who is a resident of any non-European part of the Kingdom of the Netherlands.

Investors should consult their professional advisors on the tax consequences of their acquiring, holding and disposing of Program Securities.

Withholding Tax

All payments under the Program Securities may be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, **provided that** (i) the Program Securities have a maturity – legally or de facto - of not more than 50 years, and (ii) the Program Securities will not represent, be linked to (the performance of) or be convertible (in part or in whole) into, (rights to purchase) (a) shares, (b) profit certificates (*winstbewijzen*), and/or (c) debt instruments having a maturity – legally or de facto – of more than 50 years, issued by MSBV, the Guarantor or any other entity related to MSBV and/or the Guarantor.

Taxes on Income and Capital Gains

A holder of Program Securities will not be subject to any Netherlands taxes on income or capital gains in respect of Program Securities, including such tax on any payment under the Program Securities or in respect of any gain realised on the disposal, deemed disposal or exchange of Program Securities, **provided that**:

(a) such holder is neither a resident nor deemed to be a resident of the Netherlands; and

(b) such income or gain is not attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands; and

(c) the holder is not entitled to a share in profits of an enterprise that is effectively managed in the Netherlands, and to which enterprise the income or capital gain is attributable, other than by way of securities; and

(d) if such holder is an individual, neither such holder nor any of his spouse, his partner, a person deemed to be his partner, or other persons sharing such person's house or household, or certain other of such persons' relatives (including foster children), whether directly and/or indirectly as (deemed) settlor, grantor or similar originator (the "**Settlor**") or upon the death of the Settlor, his/her beneficiaries (the "**Beneficiaries**") in proportion to their entitlement to the estate of the Settlor of a trust, foundation or similar arrangement (the "**Trust**") (a) has indirectly the disposition of the proceeds of Program Securities in the Netherlands, nor (b) has a substantial interest in MSBV, the Guarantor and/or any other entity that legally or de facto, directly or indirectly, has control of the proceeds of Program Securities in the Netherlands. For purposes of this paragraph (d), a substantial interest is generally not present if a holder does not hold, alone or together with his spouse, his partner, a person deemed to be his partner, or other persons sharing such person's house or household, or certain other of such person's relatives (including foster children), or a Trust of which he or any of the aforementioned persons is a Settlor or a Beneficiary, whether directly or indirectly, (a) the ownership of, certain other rights, such as usufruct, over, or rights to acquire shares (whether or not already issued) representing five per cent. or more of the total issued and outstanding capital (or of the issued and outstanding capital of any class of shares) of a company, (b) the ownership of, or certain other rights, such as usufruct, over profit sharing certificates (*winstbewijzen*), or membership rights in a co-operative association, entitling the holder to five per cent. or more of the annual profits or of the liquidation distributions of a company or co-operative association, or (c) membership rights representing five per cent. or more of the voting rights in a co-operative association's general meeting; and

(e) if such holder is a company, such holder does not have a substantial interest in MSBV or if such holder does have such a substantial interest, it is not held with the avoidance of income tax as (one of) the main purpose(s) or there is not an artificial arrangement or series of arrangements. For the purpose of this paragraph (e), a substantial interest is generally not present if a holder does not hold, whether directly or indirectly, (a) the ownership of, certain other rights, such as usufruct, over, or rights to acquire shares (whether or not already issued) representing five per cent. or more of the total issued and outstanding capital (or of the issued and outstanding capital of any class of shares) of MSBV, or (b) the ownership of, or certain other rights, such as usufruct, over profit sharing certificates (*winstbewijzen*), entitling the holder to five per cent. or more of the annual profits or of the liquidation distributions of MSBV; and

(f) if such holder is an individual, such income or capital gains do not form "benefits from miscellaneous activities in the Netherlands" (*resultaat uit overige werkzaamheden in Nederland*), which would for instance be the case if the activities in the Netherlands with respect to the Program Securities exceed "normal active asset management" (*normaal, actief vermogensbeheer*) or if income and gains are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights (together, a "**lucrative interest**") that the holder thereof has acquired under such circumstances that such income and gains are intended to be remuneration for work or services performed by such holder (or a related person) in the Netherlands, whether within or outside an employment relation, where such lucrative interest provides the holder thereof, economically speaking, with certain benefits that have a relation to the relevant work or services.

A holder of Program Securities will not be subject to taxation in the Netherlands by reason only of the execution, delivery and/or enforcement of the documents relating to an issue of Program Securities or the performance by MSBV of its obligations thereunder or under the Program Securities.

Gift, Estate and Inheritance Taxes

No gift, estate or inheritance taxes will arise in the Netherlands with respect to an acquisition or deemed acquisition of Program Securities by way of a gift by, or on the death of, a holder of Program Securities who is neither resident nor deemed to be resident in the Netherlands, unless in the case of a gift of Program Securities by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands.

For purposes of Netherlands gift and inheritance tax, a gift that is made under a condition precedent is deemed to be made at the moment such condition precedent is satisfied. If the condition precedent is fulfilled after the death of the donor, the gift is deemed to be made upon the death of the donor.

For purposes of Netherlands gift and inheritance tax, an individual who holds the Netherlands nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his death.

For purposes of Netherlands gift tax, an individual not holding the Netherlands nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the twelve months preceding the date of the gift.

For gift and inheritance tax purposes, (i) a gift by a third party such as a trustee, foundation or similar entity or arrangement, will be construed as a gift by the Settlor, and (ii) upon the death of the Settlor, as a rule, his/her Beneficiaries, will be deemed to have inherited directly from the Settlor. Subsequently, the Beneficiaries will be deemed the settlor, grantor or similar originator of the Trust for the purposes of the Netherlands gift and inheritance tax in case of subsequent gifts or inheritances.

Turnover Tax

No Netherlands turnover tax will arise in respect of any payment in consideration for the issue of Program Securities, with respect to any payment by MSBV of principal, interest or premium (if any) on the Program Securities.

Other Taxes and Duties

No Netherlands capital tax, registration tax, custom duty, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable in the Netherlands in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the Courts of the Netherlands) of the documents relating to the issue of Program Securities or the performance by MSBV of its obligations thereunder or under the Program Securities.

AUSTRIAN TAXATION

This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which may be of significance in connection with the purchase, holding or sale of the Program Securities in the Republic of Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. These comments are not intended to be, nor should they be construed to be, legal or tax advice. This summary furthermore only refers to investors which are subject to unlimited (corporate) income tax liability in Austria. It is based on the currently valid tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. Potential purchasers should be aware that the tax authorities generally have a critical attitude towards structured financial products that may result in a beneficial tax treatment. It is recommended that potential purchasers of the Program Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Program Securities. Tax risks resulting from the Program Securities (in particular from a potential qualification as a foreign investment fund within the meaning of sec. 188 of the Austrian Investment Funds Act (*Investmentfondsgesetz*) shall in any case be borne by the purchaser. For the purposes of the following it is assumed that the Program Securities qualify as bonds (*Forderungswertpapiere*) thereby securitising the investor's debt claim and are legally and factually publicly offered to an indefinite number of persons. In addition, the following information is based on the assumption that the Issuer neither has its seat nor its place of management in Austria.

The Issuer assumes no responsibility with respect to taxes withheld at source.

General remarks

Individuals having a permanent domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*), both as defined in sec. 26 of the Austrian Federal Fiscal Procedures Act (*Bundesabgabenordnung*), in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a permanent domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of effective management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*), both as defined in sec. 27 of the Austrian Federal Fiscal Procedures Act, in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of effective management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

Income taxation of the Program Securities

Pursuant to sec. 27(1) of the Austrian Income Tax Act, the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest;

- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the sale, alienation, redemption and other realisation of assets that lead to income from the letting of capital, including income from zero coupon bonds and also accrued interest; and

- income from derivatives (*Einkünfte aus Derivaten*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale, the

settlement or other realisation event of forward contracts like options, futures and swaps and other derivatives such as index certificates.

According to the interpretation of the Austrian Ministry of Finance, sec. 27(4) of the Austrian Income Tax Act comprises all kind of certificates, including for example index certificates, alpha certificates, leverage certificates or so-called sport certificates (Income Tax Act Guidelines 2000, "**EStR 2000**", para 6173). The underlying may be shares, indices, commodities, currencies, bonds, metals, etc. In case of certificates, income from derivatives results from the difference between the acquisition costs and the sales prices or redemption value or settlement amount (all of the latter depending on the development in value of the underlying). Indexed bonds (*indexierte Anleihen*) or bonds with index-linked yield (*Anleihen mit indexorientierter Verzinsung*) are not deemed to be derivatives for purposes of sec. 27(4) of the Austrian Income Tax Act. Interest resulting from these bonds is treated as income from the letting of capital pursuant to sec. 27(2) of the Austrian Income Tax Act; the sale or redemption of these bonds is deemed to lead to income from increases in value pursuant to sec. 27(3) of the Austrian Income Tax Act (EStR 2000, para 6195 et seq.).

In case the Issuer may choose whether to redeem a bond either by handing out cash or by way of transferring (own or third party) shares (so-called cash or share bonds), interest paid on these bonds is deemed to be income from the letting of capital pursuant to sec. 27(2) of the Austrian Income Tax Act. The exercise of the option by the Issuer is not deemed to be an exchange of bonds for stock and does therefore not result in a sale of the bond with a subsequent acquisition of the shares (EStR 2000, para 6183 et seq.). Income from the sale or redemption of cash or share bonds constitutes income from realised increases in value.

Income from securitised or non-securitised options/warrants (*Optionen, Optionsscheine*) is treated as income from derivatives. This includes income from cash settlements, option premiums, the sale of the derivative or any other event resulting in a settlement or set-off of positions. The mere exercise of options or the delivery of the underlying does not trigger a taxable event under sec. 27(4) of the Austrian Income Tax Act but may result in increased acquisition costs, reduced capital gains or reduced interest. In case of an actual delivery of the underlying, option premiums increase the acquisition costs of the underlying received. Any underlying received is deemed to be acquired upon the option's exercise (for a consideration). In this case a realisation event that may – depending on the respective underlying – lead to the taxation of hidden reserves does commonly not take place before the subsequent sale of the underlying.

In addition, the withdrawal of the Program Securities from a bank deposit (*Depotentnahme*) would generally be considered as a sale. In case certain notification requirements are met, no taxation is triggered. Furthermore, circumstances leading to a restriction of Austria's taxation right regarding the Program Securities vis-à-vis other countries, e.g. a relocation from Austria (*Wegzug*) are in general deemed to constitute a sale (cf. sec. 27(6)(1) of the Austrian Income Tax Act). In case of relocation of an individual to a Member State of the European Union or Member States of the European Economic Area, a deferral of taxation may be available.

Individuals holding the Program Securities as non-business assets

Individuals subject to unlimited income tax liability in Austria holding the Program Securities as a non-business asset (*Privatvermögen*) are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. The mere exercise of options or the delivery of the underlying in case of derivatives in the sense of sec. 27(4) of the Austrian Income Tax Act does not (yet) trigger taxation pursuant to sec. 27(4) of the Austrian Income Tax Act, but may result in increased acquisition costs, reduced capital gains or reduced interest.

In case of investment income with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), the income is subject to a withholding tax of 27.5%; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). Pursuant to the interpretation of the Austrian Ministry of Finance, the special tax rate of 27.5% only applies to income from derivatives pursuant to sec. 27(4) of the Austrian Income Tax Act, if the derivatives are securitised and are offered in a public placement or if the Austrian custodian or paying agent voluntarily withholds 27.5% tax pursuant to sec. 27a(2)(7) of the Austrian Income Tax Act (EStR 2000, para 6225a). In case of investment income without an Austrian nexus, the income must be included in the annual income tax return of the Individual holding the Program Securities and is subject to a flat income tax rate of 27.5%. In both cases upon application the option exists to tax all income subject to income tax at the

flat rate of 27.5% at the lower personal progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Whether the exercise of such option is beneficial for the Individual holding the Program Securities must be clarified with the personal tax adviser.

Sec. 27(8) of the Austrian Income Tax Act, inter alia, provides for the following restrictions on the set-off of losses: negative income from realised increases in value and from derivatives (inter alia, if being in the form of securities) may be neither set off vis-à-vis interest and other claims against credit institutions nor against certain income pursuant to sec. 27(5)(7) of the Austrian Income Tax Act. Income subject to income tax at the flat rate of 25% or 27.5% may not be set-off against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already set-off against positive investment income may not be set-off against other types of income.

Individuals holding the Program Securities as business assets

Individuals subject to unlimited income tax liability in Austria holding the Program Securities as a business asset (*Betriebsvermögen*) are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus the income is subject to a with-holding tax of 27.5%. While this withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives if in the form of securities must be included in the annual income tax return of the Individual holding the Program Securities (nevertheless the flat income tax rate of 27.5% applies). Reference is made to the Austrian Ministry of Finance's view as regards the application of the special tax rate of 27.5% for income from derivatives in the sense of sec. 27(4) of the Austrian Income Tax Act. In case of investment income without an Austrian nexus, the income must always be included in the annual income tax return of the Individual holding the Program Securities (the flat income tax rate of 27.5% applies). In both cases upon application the option exists to tax all income subject to income tax at the flat rate of 27.5% at the lower personal progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Whether the exercise of such option is beneficial for the Individual holding the Program Securities must be clarified with the personal tax adviser. Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the sale, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to special tax rates of 25% or 27.5%, are primarily to be set off against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets within the same business unit (*Wirtschaftsgüter desselben Betriebes*); only 55% of the remaining negative difference may be set off against other types of income (and carried forward).

Corporations and Private Foundations

Corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on income in the sense of sec. 27(1) of the Austrian Income Tax Act from the Program Securities at a rate of 25%. In case of income in the sense of sec. 27(1) of the Austrian Income Tax Act with an Austrian nexus the income is subject to a withholding tax of 27.5%, which may be reduced to 25% in case a corporation is the beneficial recipient of such income. Such withholding tax can be credited against the corporate income tax liability. However, under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act no withholding tax is levied in the first place. Losses from the sale of the Program Securities can be set off against other income (and carried forward under general conditions).

Pursuant to sec. 13(3)(1) in connection with sec. 22(2) of the Austrian Corporate Income Tax Act, private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act and holding the Program Securities as a non-business asset are subject to interim taxation at a rate of 25% on interest income, income from realised increases in value and income from derivatives (inter alia, if the latter are in the form of securities; or in case of non-securitised derivatives if the Austrian custodian or paying agent voluntarily withholds 25% at source pursuant to sec. 27a(2)(7) of the Austrian Income Tax Act). Interim tax does not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. In case of investment income with an Austrian nexus (as described above) the income is generally subject to a withholding tax of 27.5%, which may be reduced to 25% in case a corporation is the beneficial recipient of such income. Such withholding tax can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act no withholding tax is levied.

Set off of losses by an Austrian custodian agent

Pursuant to sec. 93(6) of the Austrian Income Tax Act, the Austrian custodian agent is obliged to automatically set-off negative investment income against positive investment income, taking into account all of a taxpayer's bank deposits with the same custodian agent. If negative and at the same time or later in the same calendar year positive income is earned, then the negative income is to be set-off against the positive income. If positive and later in the same calendar year negative income is earned, then withholding tax on the positive income is to be credited, with such tax credit being limited to 27.5% of the negative income. In certain cases the set-off is not permissible. The custodian agent has to issue a written confirmation on each set off of losses for each bank deposit.

Risk of qualification as units in a non-Austrian investment fund

Pursuant to sec. 188 of the Austrian Investment Funds Act prior to its amendment by the Austrian Alternative Investment Funds Manager Act (BGBl I 135/2013), a non-Austrian investment fund was defined as any assets subject to a foreign jurisdiction which, irrespective of the legal form they are organised in, are invested according to the principles of risk diversification on the basis either of a statute, of the entity's articles or of customary exercise. Certain collective investment vehicles investing in real estate are exempt. The Austrian tax authorities commented upon the distinction between index certificates of foreign issuers on the one hand and foreign investment funds on the other hand in the Austrian Investment Funds Act Guidelines (*Investmentfondsrichtlinien*). Pursuant thereto, no foreign investment fund may be assumed if for purposes of the issuance no predominant actual purchase of the underlying assets by the issuer or a trustee of the issuer, if any, is made and no actively managed assets exist. Directly held bonds should not be considered as foreign investment funds if the performance of the bonds depends on an index, notwithstanding the fact of whether the index is a well-known one, an individually constructed "fixed" index or an index which is changeable at any time. Special rules apply with respect to hedge-index funds.

In the course of the implementation of the Alternative Investment Funds Managers Directive (EC Directive 2011/61/EU) into domestic law, the definition of the term non-Austrian investment fund was significantly changed and now comprises (i) any Undertakings for Collective Investments in Transferable Securities (UCITS), the country of origin of which is not Austria, (ii) any Alternative Investment Fund in the sense of the Austrian Alternative Investment Funds Managers Act – other than Alternative Investment Funds (AIF) in real estate –, the country of origin of which is not Austria, and (iii) unless such vehicle is neither a UCITS fund or an AIF as described above, any organism subject to a foreign jurisdiction, irrespective of its legal form, the assets of which are invested according to the principles of risk diversification on the basis of a statute, of the entity's articles or of customary exercise provided that one of the following criteria is given: (a) the vehicle is in its residence state effectively neither directly nor indirectly subject to tax which is comparable to Austrian corporate income tax; (b) although the foreign vehicle is in its residence state subject to tax which is comparable to Austrian corporate income tax such foreign tax is lower than Austrian corporate income tax (25%) by more than 10 basis points; or (c) the vehicle is subject to a comprehensive individual or factual tax exemption in its residence state.

Pursuant to sec. 2(1)(1) of the Austrian Alternative Investment Funds Manager Act, an alternative investment fund is defined as any collective investment undertaking, including investment compartments thereof which (i) raises capital from a number of investors with a view to investing it in accordance with a defined investment policy for the benefit of those investors without the capital raised serving active operating activities and (ii) does not require an authorisation pursuant to art 5 of Directive 2009/65/EC. The amended definition of the term non-Austrian investment fund became legally effective for business years of investment funds starting after 21 July 2013. In this respect it should be noted that the Austrian tax authorities have commented upon the fact that also debt securities as for instance certificates may be classified as AIF (Investment Funds Act Guidelines 2018 ann. 77). According to these Investment Funds Act Guidelines, this may be so in particular if there is an obligation to the investor regarding the investment of the issue proceeds as well as the possibility of influence by the issuer regarding the performance of the investment. The risk of the qualification of the Program Securities as units in a non-Austrian investment fund must be assessed on a case-by-case basis.

Non-Austrian resident Individuals and corporations

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on income from the Program Securities if they have a permanent establishment in Austria and the Program Securities are attributable to such permanent establishment (sec. 98(1)(3) of the Austrian Income Tax Act, sec. 21(1)(1) of the Austrian Corporate Income Tax Act). In addition, individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of sec. 27(2)(2) of the Austrian Income Tax

Act and accrued interest (including from zero coupon bonds) in the sense of sec. 27(6)(5) of the Austrian Income Tax Act from the Program if the (accrued) interest has an Austrian nexus and if withholding tax is levied on such (accrued) interest. This does not apply to individuals being resident in a state with which automatic exchange of information exists. Interest with an Austrian nexus is interest from a debtor, which has its place of management or its legal seat in Austria or is an Austrian branch of a non-Austrian credit institution; accrued interest with an Austrian nexus is accrued interest from securities issued by an Austrian issuer (sec. 98(1)(5)(b) of the Austrian Income Tax Act). Relief from Austrian income tax might be available under applicable double tax treaties.

Austrian inheritance and gift tax

Austria does not levy an inheritance and gift tax anymore.

However, it should be noted that certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*). Such tax is triggered if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Certain exemptions apply in case of a transfer mortis causa of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (expect for participations in Austrian and non-Austrian corporations) if income from such financial assets is subject to income tax at a flat rate. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate is in general 2.5%, with a higher rate of 25% applying in special cases.

In addition, a special notification obligation exists for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles. The notification obligation applies if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may lead to the levying of fines of up to 10% of the fair market value of the assets transferred.

Further, it should be noted that pursuant to sec. 27(6)(2) of the Austrian Income Tax Act the withdrawal of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act is considered a sale. Also gratuitous transfers of the Program Securities can trigger income tax on the level of the transferor (see above).

BELGIAN TAXATION

The following summary describes the principal Belgian tax considerations with respect to the holding of Program Securities obtained by an investor in Belgium. This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Program Securities. This summary is based on Belgian tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of the publication of this Base Prospectus, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect. This summary does not describe the tax consequences for a holder of Program Securities that are redeemable in exchange for, or convertible into assets, of the exercise, settlement or redemption of such Program Securities or any tax consequences after the moment of exercise, settlement or redemption.

Each prospective holder of Program Securities should consult a professional adviser with respect to the tax consequences of an investment in the Program Securities, taking into account the influence of each regional, local or national law.

Belgian Withholding Tax – Notes

Under Belgian tax law, "interest" income includes: (i) periodic interest income, (ii) any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date), and (iii) if the Notes qualify as "fixed income securities" (in the meaning of article 2, §1, 8° Belgian Income Tax Code), in the case of a realisation of the Notes between two interest payment dates, the interest accrued during the detention period (i.e the period during which the investor held the relevant Program Security). "Fixed income securities" include Notes where there is a causal link between the amount of interest income and the detention period of the Notes, on the basis of which it is possible to calculate the amount of pro rata interest income at the moment of the sale of the Notes during their lifetime. Further, on 25 January 2013, the Belgian tax authorities issued a circular letter on the tax treatment of income from structured products the return of which is linked to an underlying value (share basket, index, etc.) and the terms and conditions of which include one or more of the following features: (a) a (conditional) minimum return; (b) capital protection; (c) a periodic coupon payment; and (d) determination of income at an intermediary stage using a "ratchet" system. The circular letter takes the position that such structured products qualify as "fixed income securities" and sets out a (somewhat unclear) formula to calculate the pro rata of accrued interest. It is debatable whether the general statements made in the circular letter are in line with Belgian tax legislation.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 30 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes) subject to such reductions or exemptions as may be available under Belgian domestic or treaty law.

Belgian Withholding Tax – Certificates

Payments under the Certificates will in principle be subject to a 30 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes), provided these payments are considered as interest payments for Belgian income tax purposes (as defined in the section entitled "Belgian Withholding Tax - Notes") and if made through a paying agent in Belgium, subject to such reductions or exemptions as may be available under Belgian domestic or treaty law.

Belgian Withholding Tax – Warrants

Payments under the Warrants would not be subject to Belgian interest withholding tax, unless such payments would qualify as income from movable property and capital -and more particularly as interest- for Belgian income tax purposes and would be made through a paying agent in Belgium.

Income from movable property and capital is defined in the Belgian Income Tax Code 1992 as "any revenue of movable property employed in any way whatsoever". In order to qualify as such income, the revenue must find its legal cause in the use or employment ("*aanwending*" / "*affectation*") of movable property. Interest is one of the categories of income from movable property and capital. Interest is defined as "interest, premiums, and any other revenue from loans, including collateral transactions with regard to financial instruments, from deposits and from any other receivable" and is further described above in the section entitled "Belgian Withholding Tax - Notes".

Belgian Income Tax rules applicable to natural persons resident in Belgium

For Belgian resident individuals, the 30 per cent. Belgian withholding tax constitutes the final income tax. This means that they do not have to declare any interest obtained on the Program Securities in their personal income tax return, provided withholding tax was levied on these interest payments. Nevertheless, Belgian resident individuals may elect to declare any interest received on Program Securities in their personal income tax return. Also, if no Belgian withholding tax has been withheld (e.g. because the interest is paid outside Belgium without the intervention of a Belgian paying agent or because it concerns the pro rata of accrued interest in the case of a sale of the Program Securities), any interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return. Interest income which is declared in this way will in principle be taxed at a flat rate of 30 per cent. (or at the relevant progressive personal income tax rate(s), taking into account the taxpayer's other declared income, if this results in lower taxation) and no local surcharges will be due. The Belgian withholding tax levied may be credited against the income tax liability.

Capital gains realised upon the sale of the Program Securities are in principle tax exempt, except if the capital gains are realised outside the scope of the management of one's private estate or except to the extent that the capital gains qualify as interest (as defined above in the section entitled "Belgian Withholding Tax"). Capital losses are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals holding the Program Securities not as a private investment but in the framework of their professional activity or when the transactions with respect to the Program Securities fall outside the scope of the normal management of their own private estate.

Belgian resident corporations

Interest derived by Belgian corporate investors (i.e. corporations subject to Belgian Corporate Income Tax) on the Program Securities and capital gains realised on the disposal or settlement of the Program Securities will in principle be subject to Belgian corporate income tax at the rate of in principle 29.58 per cent. (for financial years starting on or after 1 January 2018) or 25 per cent. (for financial years starting on or after 1 January 2020). In certain circumstances, a reduced corporate income tax rate may apply (subject to conditions).

If non-Belgian withholding tax has been levied on the interest, a foreign tax credit may be applied against the Belgian tax due. The foreign tax credit is determined by reference to a fraction where the numerator is equal to the rate of the foreign tax with a maximum of 15 and the denominator is equal to 100 minus the amount of the numerator (with a number of additional limitations). Capital losses on the Program Securities are in principle tax deductible.

For Belgian resident corporations, interest payments on the Program Securities (except for Program Securities which are zero coupon notes or which provide for the capitalisation of interest) made through a paying agent in Belgium may under certain specific circumstances be exempt from withholding tax, provided a special affidavit is delivered. The Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

Other tax rules apply to investment companies within the meaning of Article 185*bis* of the Belgian Income Tax Code 1992.

Organisation for financing pensions

Interest derived on the Program Securities and capital gains realised on the Program Securities will not be subject to Belgian Corporate Income Tax in the hands of Belgian Organisations for Financing Pensions ("**OFPs**"). Capital losses incurred by OFPs on the Program Securities will not be tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

Other Belgian legal entities

Legal entities that are Belgian residents for tax purposes, i.e. that are subject to Belgian tax on legal entities (Rechtspersonenbelasting / impôt des personnes morales), are subject to the following tax treatment in Belgium with respect to the Program Securities.

Payments of interest (as defined in the section entitled "Belgian Withholding Tax - Notes") on the Program Securities made through a paying agent in Belgium will in principle be subject to a 30 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest. However, if no Belgian withholding tax has been withheld (e.g. because the interest is paid outside Belgium without the intervention of a Belgian paying agent or because it concerns the pro rata of accrued interest in the case of a sale of the Program Securities), the legal entity itself is liable to declare the interest to the Belgian tax administration and to pay the 30 per cent. withholding tax to the Belgian treasury.

Capital gains realised on the Program Securities are in principle tax exempt, except to the extent the capital gain qualifies as interest (as defined in the section entitled "Belgian Withholding Tax - Notes"). Capital losses on the Notes are in principle not tax deductible.

Non-residents of Belgium

The interest income (as defined in the section entitled "Belgian Withholding Tax - Notes") on the Program Securities paid to a Belgian non-resident outside of Belgium, i.e. without the intervention of a professional intermediary in Belgium, is not subject to Belgian withholding tax. Interest income on the Program Securities paid through a Belgian professional intermediary will in principle be subject to a 30 per cent. Belgian withholding tax, unless the holder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. Non-resident holders that have not allocated the Program Securities to business activities in Belgium can also obtain an exemption of Belgian withholding tax on interest if the interest is paid through a Belgian credit institution, a Belgian stock market company or a Belgian clearing or settlement institution and provided that the non-resident (i) is the owner or usufruct holder of the Program Securities, (ii) has not allocated the Program Securities to business activities in Belgium and (iii) delivers an affidavit confirming his non-resident status and the fulfilment of conditions (i) and (ii).

Non-resident holders using the Program Securities to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident corporations (see above).

Non-resident holders who do not allocate the Program Securities to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

Belgian Implementing Legislation of Council Directive 2011/16/EU on administrative cooperation in the field of taxation, as amended by Council Directive 2014/107/EU (the "DAC")

The Council of the European Union has adopted the DAC, pursuant to which Austria is required to apply new measures on mandatory automatic exchange of information as of 1 January 2017 and all the other Member States as of 1 January 2016. The DAC is generally broader in scope than the Savings Directive, although it does not impose withholding taxes.

Belgium has implemented the amended Directive 2014/107/EU as per the Law of 16 December 2015.

Belgian tax on stock exchange transactions and tax on repurchase transactions

A tax on stock exchange transactions ("taks op de beursverrichtingen"/"taxe sur les operations de bourse") will be levied on the purchase and sale of the Program Securities on a secondary market through a professional intermediary in Belgium. The tax is generally due at a rate 0.12 per cent. for transactions in debt instruments and at a rate of 0.35 per cent. for transactions in other securities which are not capitalisation shares, with a maximum amount per transaction and per party of €1,300 for debt instruments and €1,600 for other securities which are not capitalisation shares. The tax is due separately from each of the seller/transferor and the purchaser/transferee and is collected by the professional intermediary.

Pursuant to the Law of 25 December 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, the scope of application of the tax on stock exchange transactions has been extended as of 1 January 2017 to secondary market transactions of which the order is directly or indirectly made to a professional intermediary established outside of Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a "**Belgian Investor**"). In such case, the tax on stock exchange transactions is due by the ordering private individual or legal entity (who will be responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due) unless that individual or entity can demonstrate that the tax on stock exchange transactions due has already been paid by the professional intermediary established outside Belgium. In the

latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (borderel/bordereau), at the latest on the business day after the day on which the relevant transaction was realised. The qualifying order statements must be numbered in series and duplicates must be retained by the financial intermediary. A duplicate can be replaced by a qualifying agent day-today listing, numbered in series. Alternatively, professional intermediaries established outside Belgium have the possibility to appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (a "**Stock Exchange Tax Representative**"). Such Stock Exchange Tax Representative will then be liable toward the Belgian Treasury for the tax on stock exchange transactions on behalf of clients that fall within one of the aforementioned categories (provided that these clients do not qualify as exempt persons for stock exchange tax purposes – see below) and to comply with the reporting obligations and the obligations relating to the order statement (borderel/bordereau) in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

A request for annulment has been introduced with the Constitutional Court in order to annul the extended scope of application as per the Law of 25 December 2016. The Constitutional Court has asked a preliminary ruling in that regard from the Court of Justice of the European Union (the "**CJEU**"). On 30 January 2020, the CJEU has delivered its preliminary ruling pursuant to which said application of the tax on stock exchange transactions would not amount to a violation of Article 56 of the Treaty on the Functioning of the European Union or Article 36 of the Agreement on the European Economic Area provided that the respective legislation provides certain facilities relating both to the declaration and payment of the tax which ensure that the restriction of the freedom to provide services is limited to what is necessary to achieve the legitimate objectives pursued by that legislation. If the Constitutional Court were indeed to annul said extension without upholding its effects, all taxpayers will be authorised to claim restitution of the tax already paid.

A tax on repurchase transactions ("taks op de reporten"/"taxe sur les reports") at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party, with a maximum amount of €1,300 per transaction and per party.

However, the taxes referred to above will not be payable by exempt persons acting for their own account, including investors who are Belgian non-residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status, and certain Belgian institutional investors as defined in Articles 126.1 2° and 139 of the Code of various duties and taxes ("Code des droits et taxes divers"/"Wetboek diverse rechten en taksen").

As indicated in the section relating to the 'Proposed Financial Transactions Tax', the European Commission has published a proposal for a FTT. This proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or value added tax as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

DANISH TAXATION

The following is a summary description of the taxation in Denmark of Notes, Warrants or Certificates according to the Danish tax laws in force at the date of this Offering Circular and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes, Warrants or Certificates and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. Potential investors are under all circumstances strongly recommended to contact their own tax advisor to clarify the individual consequences of their investment, holding and disposal of Notes, Warrants or Certificates. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Notes, Warrants or Certificates.

Taxation of Notes

Taxation at source

Under existing Danish tax laws no general withholding tax or coupon tax will apply to payments of interest or principal or other amounts due on the Notes, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to in The Danish Corporation Tax Act (in Danish "*Selskabsskatteloven*") of 6 September 2016 (as amended). This will not have any impact on Noteholders who are not in a relationship whereby they control, or are controlled by, the Issuer, or where the Noteholders and the Issuer are not controlled by the same group of shareholders.

Moreover, Danish withholding tax on payments of interest or principal or other amounts due on the Notes will not apply where the payment does not have a Danish source.

Resident Noteholders

Private individuals, including persons who are engaged in financial trade, companies and similar enterprises resident in Denmark for tax purposes or receiving interest on the Notes through their permanent establishment in Denmark are liable to pay tax on such interest.

Capital gains are taxable to individuals and corporate entities in accordance with the Danish Act on Taxation of Gains and Losses on Claims and Debt (in Danish "*Kursgevinstloven*") of 25 October 2016 (as amended) (the "**Act**"). Gains and losses on Notes held by corporate entities are generally taxed in accordance with a mark-to-market principle (in Danish "*lagerprincippet*"), i.e. on an unrealised basis. Gains and losses on Notes held by individuals are generally taxed on a realised basis and if the annual gains or losses on all debt claims, debt denominated in foreign currency and investment certificates in bond-based investment funds do not exceed DKK 2,000, the gains or losses will be exempt from taxation. The net gains held by individuals are generally taxed as capital income at a rate of up to 42 per cent..

A variety of features regarding interest and principal may apply to the Notes. The applicable taxation of capital gains to corporate entities or individuals will depend on the features applicable to the Notes in question.

Structured notes can be designed in many ways and with many different underlying assets or in a way that the yield will depend on various index or currency flows. When structured notes are issued the following tax rules apply to the Notes.

Gains and losses on structured notes are generally treated as gains and losses on financial instruments in accordance with section 29(3) of the Act. However, there are exceptions – for example, notes which are adjusted in relation to developments in the consumer prices index (as computed by Statistics Denmark (*Danmarks Statistik*)), the net consumer-price index or a similar index within the European Union or any of its member states. The gains and losses are calculated irrespective of the rules applying to the underlying asset.

Gains and losses on structured notes issued to both corporate entities and individuals are predominantly treated as taxable income in accordance with a mark-to-market principle (in Danish "*lagerprincippet*"), i.e. on an unrealised basis.

Corporate entities are generally able to deduct losses on structured notes, but individuals may only deduct losses on structured notes against gains on other financial instruments. However, in both cases, certain restrictions or exceptions apply.

Pension funds and other entities governed by the Danish Act on Taxation of Pension Investments Returns (in Danish "*Pensionsafkastbeskatningsloven*") of 6 March 2020 are, irrespective of realisation, taxed on the annual increase or decrease on the Notes according to a mark-to-market principle (in Danish "*lagerprincippet*") as specifically laid down in the act. The net returns are taxed at a flat rate of 15.3 per cent.

Non-Resident Noteholders

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident Noteholders are not subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under "Taxation at source" above. Thus, no Danish withholding tax will be payable with respect to such payments and any capital gain realised upon the sale, exchange or retirement of a Note will not be subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under "*Taxation at source*" above.

This tax treatment applies solely to Noteholders who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

Taxation of Warrants and Certificates

Warrants and Certificates can be issued with a large number of different underlying financial instruments (Equity and Proprietary Index-Linked Securities, Currency-Linked Securities, Commodity-Linked Securities, Bond-Linked Securities, Inflation-Linked Securities, Property-Linked Securities, Fund-Linked Securities) or other assets as the underlying reference.

The taxation of the Warrants and Certificates will depend on the underlying financial instrument or asset. Most of the underlying financial instruments listed in the Offering Circular are of a kind that will lead to a similar taxation of the Warrants and Certificates as for holding of Structured Notes, as described above. If the underlying financial instrument is covered by the Danish Act on Capital Gains Tax on Shares (in Danish "*Aktieavancebeskatningsloven*") of 29 August 2016 (as amended), the holder of Warrants and Certificates may be deemed a shareholder in the issuer of the underlying financial asset for Danish tax purposes and be taxed in the following manner.

Sale, redemption or other disposals of shares are considered a realisation for Danish tax purposes.

For Danish resident individuals, capital gains will be subject to taxation as share income at a rate of 27 per cent on annual share income up to DKK 55,300 and 42 per cent of share income exceeding DKK 55,300. The stated amount limits are applicable for 2020 and adjusted annually. The amount limits are doubled for married couples co-habiting at the end of the income year.

The extent to which losses on shares is deductible for individuals depends on whether or not the share is listed on a regulated market or not.

Dividend payments to Danish resident individuals are also treated as share income, and taxation occurs at the same rates as described above.

For companies fully liable to Danish tax, capital gains may be subject to tax at a rate of 22 per cent depending on the company's shareholding and the status of the underlying shares. If a company owns more than 10 per cent of the shares, no capital gains taxation will be triggered. Losses are generally deductible if the sale of the shares is liable to tax.

Non-resident individuals and companies not fully liable to tax in Denmark are not liable to tax on capital gains on shares in Denmark unless the capital gains can be attributed to a permanent establishment in Denmark.

Dividends paid by a Danish company to non-resident individuals is subject to a withholding tax at a rate of 27 per cent. The effective rate of taxation may be lower if the individual is resident in an EU member state

or a country with which Denmark has concluded a double tax treaty or an information exchange treaty. The excess tax must be reclaimed from the Danish tax authorities.

Non-resident companies may be liable to tax on dividends paid by a Danish company depending on the shareholding in the dividend paying company and the shareholder's individual circumstances. The effective rate of taxation may be lower due to the shareholder being resident in a country with which Denmark has concluded a double tax treaty or an information exchange agreement or the like. The excess tax must be reclaimed from the Danish tax authorities.

GERMAN TAXATION

The following is a general discussion of certain German tax consequences of the acquisition, ownership and disposal of the Program Securities. As each Tranche of the Program Securities may be subject to a different tax treatment due to the specific terms of each Tranche, the following section shall only be regarded as generic overview with regard to the possible tax treatment in Germany. It does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase the Program Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Offering Circular, which are subject to change, possibly with retroactive or retrospective effect.

Prospective purchasers of Program Securities are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Program Securities, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents.

To the extent the following information describes the taxation in the case of a disposal of the Program Securities, such description applies accordingly to cases of a call, exercise, assignment or redemption of the Program Securities as well as a transfer of Program Securities into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*).

German tax residents

German tax resident are persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany).

Program Securities held as private assets

If Program Securities are held by an investor as private assets (*Privatvermögen*), payments of interest qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 German Income Tax Act ("**ITA**" – *Einkommensteuergesetz*). Capital gains / capital losses realised upon disposal of the Program Securities (in particular being Notes and Certificates), computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and factually related to the sale, qualify as (negative) savings income pursuant to section 20 para 2 sentence 1 no 7 ITA. If such disposal results in a loss, such loss can only be offset against other taxable savings income. If the investor does not have enough other taxable savings income in the respective assessment period, the losses can be carried forward; a loss carry back is not possible.

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated 9 October 2012 as amended on 18 January 2016 ("**Tax Decree 2016**"), a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden contribution, shall not be treated like a sale, so that losses suffered upon such bad debt loss or waiver shall not be deductible for tax purposes. However, in contrast to such tax decree according to a decision of the Federal Tax Court dated 24 October 2017 a final bad debt loss shall be treated as tax-deductible and, therefore, can be offset against other taxable savings income, while the Federal Tax Court did not decide regarding a waiver of a receivable. Another lower German fiscal court rejected the jurisdiction of the German Federal Fiscal Court with respect to the tax deductibility of a bad debt loss. Two further decisions in this context are currently still pending with the German Federal Fiscal Court.

While the German tax authorities previously took the position that capital losses shall not be recognised, if no (or only de minimis) payments are made to the individual investors on the maturity or redemption date of full risk certificates, the German Federal Fiscal Court has published a decision to the contrary. In this decision the German Federal Fiscal Court took the view that the trigger of the knock-out threshold (i.e. no payments on the day of exceeding the knock out threshold) shall be treated similar to a bad debt loss as a sale at the value zero, so that losses suffered shall also be deductible for tax purposes. According to an amendment to the Tax Decree 2016 published on 16 September 2019, the German Federal Ministry of Finance now also applies the principles of the ruling of the German Federal Fiscal Court. While the German tax authorities previously took the position that a disposal (and, as a consequence, a tax loss resulting from such disposal) shall not be recognized if the Program Securities are sold at a market price, which is lower than the transaction costs or if the level of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the sales price, the German tax

authorities have recently concluded in an amendment from 10 May 2019 to the Tax Decree 2016 that the recognition as disposal shall not depend on the amount of any consideration or the amount of the transaction costs.

If Program Securities (e.g. in case of Warrants) qualify as contracts for differences (*Termingeschäfte*), disposal proceeds and other benefits from the Program Securities qualify as (negative) savings income pursuant to section 20 para 2 sentence 1 no 3 ITA. In such a case, if the Program Securities expire worthless, losses may not be tax-deductible at all. However, according to decisions of the Federal Tax Court from January 2016 loss stemming from the worthless expiry of options also qualify as negative savings income. The latter view has been accepted by the German tax administration in the Tax Decree 2016.

As of 1 January 2021 however, capital losses of private investors in the scenarios described above can largely only be set-off against income derived from capital investments up to an amount of €10,000 p.a. Losses exceeding this threshold in these cases can be carried forward and set-off against income derived from capital investments up to an amount of € 10,000 p.a. in subsequent years, subject to certain requirements. The same applies for the tax deductibility of losses if options expire worthless in section 20 para. 2 sentence 1 no 3 sentence 2 ITA.

Program Securities providing for a physical delivery of, e.g., bonds or shares, may qualify as convertible, exchangeable or similar instruments, subject to the relevant Terms and Conditions of such Program Securities. In such a case, the sales proceeds from the Program Securities and the acquisition costs of the received securities may be deemed to be equal to the initial acquisition costs of the Program Securities (section 20 para 4a sentence 3 ITA) so that no taxable capital gains would be realised due to the conversion. However, capital gains realised upon an on-sale of the received securities would qualify as taxable income. Losses from the disposal of shares or stock received may be subject to further limitations.

Savings income is, in general, subject to German income tax at a special (flat) tax rate of 26.375% (including solidarity surcharge) plus, if applicable, church tax.

With regard to savings income, the savers lump sum amount (Sparer-Pauschbetrag) in the amount of 801 EUR (respectively 1,602 EUR in the case of jointly assessed investors) will be deducted; a deduction of the actual income-related expenses is, in general, excluded.

The coalition agreement between the German Christdemocratic Party, the German Cristian Social Union and the German Socialdemocratic Party for the formation of the current German federal government provides that the flat tax regime shall be partially abolished for certain capital investment income, in particular interest income. There is however no draft bill available yet and a lot of details are hence still unclear. That means however that income received by investors holding the Notes as private assets may be taxed at individual progressive income tax rates of up to 45% in the future (plus a 5.5%. solidarity surcharge thereon, to the extent not abolished or reduced in accordance with the following, and church tax, if applicable to the individual investor). According to the recent act on the reduction of the solidarity surcharge (Gesetz zur Rückführung des Solidaritätszuschlags), the solidarity surcharge shall only be levied for wage tax and income tax purposes from the assessment period 2021 onwards if the individual income tax of the individual investor exceeds the threshold of EUR 16,956 (EUR 33,912 for jointly assessed investors). The solidarity surcharge shall however continue to be applicable for withholding tax, flat tax and corporate income tax purposes. If in case of flat tax, the income tax burden for an individual investor is lower than the flat tax of 25%, the individual investor can apply for its capital investment income being assessed at its individual progressive rates (see above) in which case solidarity surcharge would be refunded.

Program Securities held as business assets

If Program Securities are held by an investor (individuals and corporate entities) as business assets (*Betriebsvermögen*), interest payments and capital gains from the disposal of the Program Securities are subject to corporate income tax (in the case of an incorporated investor) at a tax rate of 15% or income tax at an individual progressive tax rate of up to 45%, as the case may be (each plus 5.5% solidarity surcharge thereon). In addition, trade tax may apply, the rate of which depends on the municipality in which the business is located (rates vary between 7 and approx. 17%). Further, in the case of individuals, church tax may be levied. In the case of a loss, such loss may be subject to ring-fence rules and, if so, may only be offset against other derivative income. In case the income of the investor is determined based on accrual accounting, interest and capital gains may be taxable before actual payments are received.

German withholding tax

With regard to savings income (*Kapitalerträge*), e.g. interest or capital gains, German withholding tax will be levied at a flat withholding tax rate of 26.375% (including solidarity surcharge) if, inter alia, the Program Securities are registered in a foreign registry, have been issued in a global note in terms of section 9a of the German Securities Deposit Act (Depotgesetz) or qualify as partial debentures (*Teilschuldverschreibungen*) and are held in a custodial account maintained with a German branch of a German or non-German credit or financial services institution (*Kredit- oder Finanzdienstleistungsinstitut*) or with a securities trading business (*Wertpapierhandelsunternehmen*) or securities trading bank (*Wertpapierhandelsbank*) (a "**German Disbursing Agent**"). If the Program Securities are not held in a custodial account, German withholding tax will nevertheless be levied if the Program Securities are issued in definitive form and the savings earnings are paid by a German Disbursing Agent against presentation of the Program Securities (so-called over-the-counter transaction – *Tafelgeschäft*).

For German resident private individuals who are subject to church tax an electronic information system for church withholding tax purposes applies in relation to income derived from capital investments, with the effect that church tax will be collected by the German Disbursing Agent by way of withholding unless the private investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the private individual will be assessed to church tax and the private individual has to include the savings income in his tax return.

The tax base is, in principle, equal to the taxable gross income as set out above (i.e. prior to withholding). However, in the case of capital gains, the tax deduction is calculated on the basis of the capital gain only if the Program Securities have been kept in a custodial account with such German Disbursing Agent since the time of issuance and acquisition, respectively; if that is not the case, the investor may prove the acquisition costs to the German Disbursing Agent only in a specific form required by law. Otherwise, the tax deduction is calculated on the basis of 30% of the proceeds from the disposal of the Program Securities.

In general, no withholding tax will be levied if an investor holding the Program Securities as private assets has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the interest income and other taxable savings income do not exceed the amount shown on the filed withholding tax exemption certificate. Similarly, no withholding tax will be deducted if an investor has submitted to the German Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

In the case of individuals holding the Program Securities as private assets, if German withholding tax is levied, such withholding tax will, in general, become definitive and replace the investor's income taxation (flat withholding tax - *Abgeltungsteuer*); in such a case, the filing of a tax return for savings income is not required. If no tax is withheld, then the investor is obliged to file a tax return and the savings income will then be taxed within the assessment procedure. However, the special tax rate for savings income applies, in principle, also in the assessment procedure. Further, an investor may alternatively request that all savings income of a given year is taxed at his/her individual income tax rate (if lower than the withholding tax rate) based on an assessment to tax with any amount overwithheld being refunded.

If the Program Securities form part of a trade or business, the withholding tax will not settle the income tax liability.

Investors holding the Program Securities as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. Instead, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Program Securities if, for example, (a) the Program Securities are held by a company satisfying the requirements of section 43 para 2 sentence 3 no 1 German Income Tax Act or (b) the proceeds from the Program Securities qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form. The investor is obliged to report income and related expenses in the (annual) tax return, and the balance will be taxed at the investor's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the investor. If the tax withheld exceeds the respective (corporate) income tax amount, the difference will be refunded within the tax assessment procedure.

Non-residents

In general, a Noteholder or Securityholder that is not tax resident in Germany is subject to German payments of consideration or taxation on gains from the disposition of Program Securities and potentially withholding tax only under certain circumstances, e.g. (i) if the Program Securities are held as business assets of a permanent establishment, including a permanent representative, maintained in Germany by the Noteholder or Securityholder or (ii) the income qualifies for other reasons as taxable German source income (such as income from the letting and leasing of property). In such a case, a tax regime similar to that explained above for German tax residents will apply.

Substitution of the Issuer

If the Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the new issuer and subject to similar taxation rules like the Notes. In particular, such a substitution could result in the recognition of a taxable gain or loss for any investor of a Note.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to the Program Securities will arise under the laws of Germany if, in the case of inheritance tax, neither the decedent nor the beneficiary or, in the case of gift tax, neither the donor nor the donee is a resident of Germany and the Program Securities are not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Program Securities. Currently, net assets tax (Vermögensteuer) is not levied in Germany.

No gross-up for German withholding tax (Kapitalertragsteuer)

Purchasers of the Program Securities should note that in accordance with the terms and conditions of the Program Securities, unless specified in the applicable Pricing Supplement, the Issuer, in principle, will neither assume any liability for German withholding taxes (*Kapitalertragsteuer*) withheld from payments under the Program Securities, nor make any additional payments in regard of these taxes, i.e. no gross-up will apply in case a withholding tax is imposed.

ITALIAN TAXATION

The following is a summary of certain limited Italian tax consequences of the purchase, the ownership and the disposal of the Program Securities. The statements herein are based on the laws in force in Italy as at the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The Issuers will not update this summary to reflect changes in law and/or practice. If any such change should occur, the information in this summary could become obsolete.

The following summary does not purport to be a comprehensive description of all the Italian tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Program Securities and does not purport to deal with the Italian tax consequences applicable to all categories of investors, some of which may be subject to special rules. The following general description assumes that the Issuer is not a tax resident nor deemed to be a tax resident of Italy and that it has no permanent establishment within the Italian territory to which the Program Securities are effectively connected.

Prospective investors are advised to consult their own tax advisors concerning the overall tax consequences of their interest in the Program Securities.

Tax treatment of the Program Securities

The Program Securities may be subject to different tax regimes depending on whether:

(a) they represent derivative financial instruments or bundles of derivative financial instruments, not entailing a "use of capital" (*impiego di capitale*), through which the Noteholders and/or the Securityholders purchase indirectly the economics of underlying financial instruments or indexes (please see section 1 below); or

(b) they represent a debt instrument implying a "use of capital" (*impiego di capitale*), through which the Noteholders and/or the Securityholders transfer to the Issuer a certain amount of capital, for the economic exploitation of the same, subject to the right to obtain a (partial or entire) reimbursement of such amount at maturity. In particular, Program Securities representing debt instruments implying a "use of capital" could be divided in: Program Securities having capital protection guaranteed by the Issuer (please see section 2 below) and Program Securities not having capital protection guaranteed by the Issuer, so called "atypical securities" (please see section 3 below).

1. Program Securities representing derivative financial instruments or bundles of derivative financial instruments

With regard to certain innovative or structured financial instruments, there is currently limited guidance as to the tax treatment of such financial instruments. Accordingly, it cannot be excluded that the Italian tax authorities will change their current view, as specified below, or courts will adopt a view different from that outlined below.

1.1 Italian resident Noteholders and/or Securityholders

Taxation of income from derivatives

Should the Program Securities qualify as derivative instruments for the purposes of Italian tax law, the following consequences apply to an Italian resident Noteholder and/or Securityholder, other than acting in the course of an entrepreneurial activity, pursuant to Article 67(1)(*c-quater*) and or (*c-quinquies*) of Italian Presidential Decree No. 917 of 22 December 1986, as subsequently amended ("**Decree No. 917**") and according to, *inter alia*, the Italian tax authority's Resolution no. 72/E of 12 July 2010.

Where the Italian resident Noteholder and/or Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Program Securities are effectively connected, (ii) a non-commercial partnership; (iii) a non-commercial private or public institution; or (iv) an investor exempt from Italian corporate income taxation, income realised on any sale or transfer for consideration or exercise or redemption of the Program Securities is subject to a 26 per cent. substitute tax (**imposta sostitutiva**). In this respect, the above Italian resident recipients may opt for one of the following three taxation regimes: (*regime della dichiarazione, regime del risparmio amministrato, regime del risparmio gestito*, in this respect please

see section 2.1.2 below). This option may result in certain impacts that the investors should consider with their tax advisers. In particular, provided that the relevant conditions are met, the depository is responsible for accounting for imposta sostitutiva and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder and/or Securityholder or using funds provided by the Noteholder and/or Securityholder for this purpose.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals holding the Program Securities not in connection with an entrepreneurial activity may be exempt from any income taxation, including the imposta sostitutiva on capital gains relating to the Program Securities if the Program Securities are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 (the "**Finance Act 2017**"), in Article 1 (210-215) of Law No. 145 of 30 December 2018 (the "**Finance Act 2019**") and in Article 13-*bis* of Law Decree No. 124 of 26 October 2019, as subsequently amended the ("**Fiscal Decree linked to the Finance Act 2020**").

The imposta sostitutiva does not apply also to the following Italian resident taxpayers:

(A) Corporate Investors

Any capital gain obtained from the sale or redemption of the Program Securities will not be subject to imposta sostitutiva, but would be treated as part of the taxable income subject to the general Italian corporate tax regime (corporate income tax, "**IRES**", is currently applicable at 24 per cent. with a 3,5 per cent. surcharge for banks and financial intermediaries) and, in certain circumstances, depending on the tax "status" of the Noteholder and/or Securityholder, also as part of the net value of production for purposes of regional tax on productive activities ("**IRAP**" currently applicable at the basic rate of 3.9 per cent. which may be increased up to 0.92 per cent. by certain Italian regions and depending on the nature of the activities carried out by the taxpayer) if realised by: (i) an Italian resident company or similar commercial entity; or (ii) an Italian permanent establishment of foreign entities to which the Program Securities are effectively connected.The IRAP rate has also been increased by article 23(5) of Italian Law Decree no. 98 of 6 July 2011 to 4.65 per cent. for banks and other financial institutions and to 5.9 per cent. for the insurance companies as indicated, respectively, under article 6 and article 7 of Italian Legislative Decree no. 446 of 15 December 1997).

(B) Real estate investment funds and real estate SICAFs

Any capital gains realized by a Noteholder and/or Securityholder which is an Italian resident real estate investment fund established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented and to Article 14-*bis* of Law No. 86 of 25 January 1994 ("**Real Estate Fund**") or an Italian real estate closed-ended investment company ("**Real Estate SICAF**"), to which the provisions of Law Decree No. 351 of 25 September, 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, apply are subject neither to imposta sostitutiva nor to any other income tax in the hands of the Real Estate Fund or the Real Estate SICAF. The income of the Real Estate Fund or of the Real Estate SICAF may be subject to tax, in the hands of the unitholder/shareholder, depending on the status and percentage of participation.

(C) Investment funds

Any capital gains realised by a Noteholder and/or a Securityholder which is an Italian resident open-ended or closed-ended collective investment fund (subject to the tax regime provided by Law No. 77 of 23 March 1983) (**"Investment Fund"**), or an Italian open-ended investment company (*società di investimento a capitale variabile* – "**SICAV**" or an Italian closed-ended investment company, other than a real estate investment company (*società di investimento a capitale fisso* "**SICAF**") will neither be subject to *imposta sostitutiva* nor to any income taxa in the hands of the Investment Fund or of the SICAV and SICAF. The proceeds distributed by the Investment Fund or the SICAV/SICAF or received by certain categories of unitholders upon redemption or disposal of the units will be taxed in the hands of the investors who subscribe the quotas of the Investment Fund or the shares of the SICAV/SICAF on a cash basis.(D) Pension funds

Any capital gains realised by a Noteholder and/or Securityholder which is an Italian pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005, as subsequently amended and supplemented, "**Decree No. 252**") will be included in the result of the relevant

portfolio accrued at the end of the tax period, to be subject to a 20 per cent. annual substitute tax (the **"Pension Fund Tax")**. Subject to certain limitations and requirements (including a minimum holding period), capital gains may be excluded from the taxable base of the 20 per cent. ad hoc Pension Fund Tax pursuant to Article 1, paragraph 92, of the Finance Act 2017, if the Program Securities are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of the Finance Act 2017, in Article 1 (210-215) of the Finance Act 2019 and in Article 13-*bis* of the Fiscal Decree linked to the Finance Act 2020, as subsequently amended.

1.2 Non-Italian resident Noteholders or Securityholders

Capital gains realised by non-Italian resident Noteholders and/or Securityholders without a permanent establishment in Italy to which the Program Securities are effectively connected from the sale or redemption of the Program Securities are not subject to Italian taxation, provided that the Program Securities (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside Italy. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders and/or Securityholders who hold the Program Securities with an Italian authorized financial intermediary and elect to be subject to the Asset Management Regime or are subject to the Administrative Savings Regime, as below defined, may be required to file in due time to the Italian authorized financial intermediary an appropriate statement (*autocertificazione*) that they are not resident in Italy for tax purposes.

Moreover, even if the Program Securities are held in Italy, no Italian *imposta sostitutiva* applies if the non-Italian resident investor is resident for tax purposes in a state or territory which allows an adequate exchange of information with the Italian tax authorities and listed in the Italian Ministerial Decree dated 4 September, 1996 as amended and supplemented from time to time (the "**White List**"). According to Article 11, par. 4, let. c) of Legislative Decree No. 239 of 1 April 1996 ("**Decree No. 239**") the White List will be updated every six months period. The same exemption applies where the beneficial owners of the Program Securities are (i) international entities or organizations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries included in the White List, even if they do not have the status of taxpayers in their own country of residence; or (iii) Central Banks or entities which manage, inter alia, the official reserves of a foreign State. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Program Securities are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, as below defined, exemption from Italian capital gains tax will apply upon condition that they provide in time with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirement indicated above. Additional statements may be required for non-Italian resident Securityholders who are institutional investors.

Non-Italian resident individuals or entities without a permanent establishment in Italy to which the Program Securities are connected that may benefit from a double taxation treaty with the Republic of Italy providing that capital gains realised upon the sale or redemption of Program Securities are to be taxed only in the country of tax residence of the seller/beneficial owner of the income, will not be subject to the substitute tax in the Republic of Italy on any capital gains realised upon the sale or redemption of Program Securities. In such a case, in order to benefit from this treaty exemption from Italian taxation on capital gains, non-Italian resident Noteholders and/or Securityholders who hold the Program Securities with an Italian authorised financial intermediary and elect to be subject to the Asset Management Regime or are subject to the Administrative Savings Regime, as below defined, may be required to produce in due time to the Italian authorised financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence.

Please note that for a non-Italian resident, the Administrative Savings Regime (as below defined) shall automatically apply, unless this regime is expressly waived, where the Program Securities are deposited in custody or administration with an Italian resident authorised financial intermediary or permanent establishment in the Republic of Italy of a foreign intermediary.

2. Program Securities representing debt instruments implying a "use of capital"having capital protection guaranteed by the Issuer

2.1 Italian resident Noteholders and Securityholders

2.1.1 Taxation of interest

Decree No. 239 governs the tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") from

Program Securities issued, inter alia, by non-Italian resident entities. The provisions of Decree No. 239 only apply to those Program Securities which qualify as *obbligazioni or titoli similari alle obbligazioni* pursuant to Article 44, paragraph 2, letter c) of Decree No. 917. In accordance with Article 44, paragraph 2, letter c) of Decree No. 917, for securities to qualify as *obbligazioni* (bonds) *or titoli similari alle obbligazioni* (securities similar to bonds), they must (i) incorporate an unconditional obligation to pay at maturity an amount not less than that indicated therein, and (ii) attribute to the holders no direct or indirect right to control or participate to the management of the relevant Issuer or of the business in relation to which they are issued.

Where the Italian resident Noteholder and/or Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Program Securities are effectively connected; (ii) a non-commercial partnership;(iii) a non-commercial private or public institution; or (iv) an investor exempt from Italian corporate income taxation, Interest payments relating to the Program Securities are subject to a substitute tax, (referred to as *imposta sostitutiva*) levied at the rate of 26 per cent. (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Program Securities).Such investors are qualified as "net recipients" (unless they have entrusted the management of their financial assets, including the Program Securities, to an authorised intermediary and have opted for the Asset Management Regime, as defined below).

Where the resident holders of the Program Securities described above under (i) and (iii) above are engaged in an entrepreneurial activity to which the Program Securities are effectively connected, the *imposta sostitutiva* applies as a provisional income tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Subject to certain conditions, Interest in respect of Program Securities that qualify as *obbligazioni* or *titoli similari alle obbligazioni*, received by Italian resident individuals holding the aforesaid Program Securities not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if such Program Securities are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100 – 114) of the Finance Act 2017, in Article 1 (210-215) of the Finance Act 2019 and in Article 13-*bis* of the Fiscal Decree linked to the Finance Act 2020, as subsequently amended.
Pursuant to Decree No. 239, the 26 per cent. *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, *società di gestione del risparmio* ("**SGRs**") stock brokers and other qualified entities identified by a decree of the Ministry of Finance ("**Intermediaries**" and each an "**Intermediary**") resident in Italy, or by permanent establishments in Italy of a non Italian resident Intermediary, that intervene, in any way, in the collection of Interest or, also as transferees, in transfers or disposals of the Program Securities. For the purpose of the application of the *imposta sostitutiva*, a transfer of securities includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant securities or in a change of the Intermediary with which the securities are deposited.

Where the Program Securities are not deposited with an authorised Italian Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the Noteholder and/or Securityholder.

Italian resident individuals, non-commercial partnerships or entities holding Program Securities not in connection with entrepreneurial activity who have opted for the Asset Management Regime (as defined below) are subject to the 26 per cent. annual *imposta sostitutiva* on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Program Securities). The 26 per cent. annual *imposta sostitutiva* is applied on behalf of the taxpayer by the managing authorised Intermediary.

The *imposta sostitutiva* does not apply also to the following Italian resident persons, to the extent that the Program Securities are deposited in a timely manner, directly or indirectly, with an Intermediary:

(A) Corporate Investors

Interest on the Program Securities received by (i) an Italian resident company or similar commercial entity; or (ii) an Italian permanent establishment of foreign entities to which the Program Securities are effectively connected; will not be subject to the *imposta sostitutiva*, but will be included in the taxable base for the purposes of IRES and – under certain circumstances – of IRAP, as described in section 1 above.

(B) Real estate investment funds and real estate SICAFs

Where a Noteholder and/ or Securityholder is an Italian resident Real Estate Fund or an Italian Real Estate SICAF, to which the provisions of Law Decree No. 351 of 25 September, 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, apply,Interest accrued on the Program Securities are subject neither to the *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund or Real Estate SICAF. The income of the Italian Real Estate Fund or Real Estate SICAF may be subject to tax in the hands of the unitholder/shareholder, depending on *status* and percentage of participation.

(C) Investment funds

If a Noteholder and/or Securityholder is resident in Italy and is an Investment Fund, a, SICAV and a SICAF Interest, accrued on the Program Securities during the holding period will not be subject to the *imposta sostitutiva* nor to any other income tax of the Investment Fund, the SICAV or the SICAF. The proceeds distributed by the Investment Fund or the SICAV/SICAF or received by certain categories of unitholders upon redemption or disposal of the units will be taxed in the hands of the investors who subscribe the quotas of the Investment Fund or the shares of the SICAV/SICAF on a cash basis.(D) Pension funds

Where an Italian resident Noteholder and/or Securityholder which is an Italian pension fund (subject to the regime provided for by Article 17 of Decree No. 252), Interest relating to the Program Securities and accrued during the holding period will not be subject to the *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. ad hoc Pension Fund Tax. Subject to certain limitations and requirements (including a minimum holding period), Interest in respect to the Program Securities may be excluded from the taxable base of the 20 per cent. ad hoc Pension Fund Tax pursuant to Article 1, paragraph 92, of the Finance Act 2017, if Program Securities that qualify as *obbligazioni* or *titoli similari alle obbligazioni* are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth under Article 1, (100 – 114), of the Finance Act 2017, in Article 1 (210-215) of the Finance Act 2019 and in Article 13-*bis* of the Fiscal Decree linked to Finance Act 2020, as subsequently amended.

2.1.2 Taxation of Capital Gains

A 26 per cent., imposta sostitutiva is applicable on capital gains realised on the disposal of Program Securities by Noteholders and/or Securityholder included among the following categories of Italian residents: (i) individuals not engaged in an entrepreneurial activity to which the Program Securities are effectively connected; (ii) non-commercial partnerships; (iii) non-commercial private or public institutions; and (iv) investors exempt from Italian corporate income taxation.

In respect of the application of the imposta sostitutiva, such taxpayers may opt for one of the three regimes described below.

(a) Under the "*regime della dichiarazione"* provided for by Article 5 of Decree No. 461 of 21 November 1997 ("**Decree No. 461**") (the **"Tax Declaration Regime"**), which is the standard regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Program Securities are effectively connected, the 26 per cent. imposta sostitutiva will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual holding the Program Securities not in connection with an entrepreneurial activity pursuant to all disposals of the Program Securities carried out during any given tax year. Italian resident individuals holding the Program Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss in the annual tax return and the imposta sostitutiva must be paid on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years;

(b) as an alternative to the tax declaration regime, Noteholders and/or Securityholders as listed above may elect to pay under the "*risparmio amministrato*" regime provided for by Art. 6 of Decree No. 461 (the **"Administrative Savings Regime"**) the imposta sostitutiva separately on capital gains realised on each sale or redemption of the Program Securities. Such separate taxation of capital gains is allowed subject to (i) the Program Securities being deposited with Italian banks, "*società di intermediazione mobiliare*" ("**SIMs**") or certain authorised financial intermediaries and (ii) an

express election for the Administrative Savings Regime being timely made in writing by the relevant Noteholder and/or Securityholder. The depository is responsible for accounting for imposta sostitutiva in respect of capital gains realised on each sale or redemption of the Program Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder and/or Securityholder or using funds provided by the Noteholder and/or Securityholder for this purpose. Under the Administrative Savings Regime, where a sale or redemption of the Program Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder and/or Securityholder is not required to declare the capital gains in the annual tax return;

(c) any payments received and any capital gains accrued by the Noteholder and/or Securityholder as listed above who have entrusted the management of their financial assets, including the Program Securities, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime provided for by Art. 7 of Decree No. 461 (the **"Asset Management Regime"**) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the Asset Management Regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Regime, the Noteholder and/or Securityholder is not required to declare the capital gains realised in the annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals holding the Program Securities not in connection with an entrepreneurial activity may be exempt from Italian capital gain taxes, including the 26 per cent. imposta sostitutiva, on capital gains realised upon sale or redemption of the Program Securities if the Program Securities are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, in Article 1 (210-215) of the Finance Act 2019 and in Article 13-*bis* of the Fiscal Decree linked to Finance Act 2020, as subsequently amended.

The imposta sostitutiva does not apply also to the following Italian-resident taxpayers:

(A) Corporate Investors

Any capital gains obtained from the sale or redemption of the Program Securities will not be subject to imposta sostitutiva but would be treated as part of the IRES taxable income (and, in certain circumstances, depending on the status of the Noteholder and/or Securityholder, also as part of the net value of the production for IRAP purposes) if realised by (i) an Italian company or a similar commercial entity; or (ii) an Italian permanent establishment of foreign entities to which the Program Securities are connected).

(B) Real estate investment funds and real estate SICAFs

Any capital gains realized by a Noteholder and/or Securityholder which is an Italian Real Estate Fund or an Italian Real Estate SICAF to which the provisions of Law Decree No. 351 of 25 September, 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, apply are subject neither to imposta sostitutiva nor to any other income tax in the hands of the Real Estate Fund or the Real Estate SICAF. The income of the Italian Real Estate Fund or Real Estate SICAF may be subject to tax in the hands of the unitholder, depending on status and percentage of participation.

(C) Investment funds

Any capital gains realised by a Noteholder and/or Securityholder which is an Italian Investment Fund, a SICAV or a SICAF will neither be subject to imposta sostitutiva nor to any income tax in the hands of the Investment Fund or of the SICAV and SICAF. The proceeds distributed by the Investment Fund or the SICAV/SICAF or received by certain categories of unitholders upon redemption or disposal of the units will be taxed in the hands of the investors who subscribe the quotas of the Investment Funds or the shares of the SICAV/SICAF on a cash basis.

(D) Pension funds

Any capital gains realised by a Noteholder and/or Securityholder which is an Italian pension fund (subject to the regime provided for by Article 17 of Decree No. 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. Pension Fund Tax.

Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains realised through the transfer for consideration or redemption of the Program Securities may be excluded from the taxable base of the Pension Funds, pursuant to Article 1, paragraph 92, of the Finance Act 2017, if the Program Securities are included in a long-term individual savings plan (*piano individuale di risparmio a lungo termine*) pursuant to Article 1 (100-114) of the Finance Act 2017, Article 1 (210-215) of the Finance Act 2019 and in Article 13-*bis* of the Fiscal Decree linked to Finance Act 2020, as subsequently amended.

Non-Italian resident Noteholders and Securityholders

No Italian imposta sostitutiva is applied on payments to a non-Italian resident Noteholder and/or Securityholder of Interest relating to the Program Securities provided that, if the Program Securities are held in Italy, the non-Italian resident Noteholder and/or Securityholder declares itself to be a non-Italian resident according to Italian tax regulations.

The capital gains regime is similar to that described above section1.2 "*Program Securities representing derivative financial instruments or bundles of derivative financial instruments – Non-Italian resident Noteholders and/or Securityholders*" above.

3. Program Securities not having capital protection guaranteed by the Issuer qualifying as atypical securities

3.1 Italian resident Noteholders and/or Securityholders

3.1.1 Taxation of Interest

In case Program Securities representing debt instruments implying a "use of capital" do not guarantee the total reimbursement of the principal amount, under Italian tax law they should qualify as "atypical securities" pursuant to Law Decree No. 512 of 30 September 1983 and payments in respect of such Program Securities received by Italian resident individual Noteholders and/or Securityholders would be subject to the following regime:

(a) if the Program Securities are placed (*collocati*) in Italy, payments made to individual investors holding the Program Securities not in connection with an entrepreneurial activity will be subject to a 26 per cent. final withholding tax. This withholding tax is levied by the entrusted Italian resident bank or financial intermediary, if any, that is involved in the collection of payments on the Program Securities, in the repurchase or in the transfer of the Program Securities;

(b) if the Program Securities are not placed (*collocati*) in Italy or in any case where payments on the Program Securities are not received through an entrusted Italian resident bank or financial intermediary (that is involved in the collection of payments on the Program Securities, in the repurchase or in the transfer thereof) and no withholding tax is levied, the individual beneficial owners will be required to declare the payments in their income tax return and subject them to a final substitute tax at a rate of 26 per cent. The Italian individual Noteholder and/or Securityholder may elect instead to pay ordinary IRPEF at the progressive rates applicable to them in respect of the payments.

The 26 per cent. withholding tax does not apply to payments made to an Italian resident Noteholder and/or Securityholder which is: (i) an Italian resident or a similar Italian resident commercial entity; and (ii) the Italian permanent establishment of foreign entities to which the Program Securities are effectively connected.In particular, in such cases, payments must be included in the relevant Noteholder's and/or Securityholder's annual income tax return to be therefore subject to IRES and, in certain circumstances, depending on the *status* of the Noteholder, also to IRAP.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income

taxation, including the withholding tax on Interest relating to the Program Securities not falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) and qualify as *titoli atipici* ("atypical securities") pursuant to Article 5 of Law Decree No. 512 of 30 September 1983, if Program Securities are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100 -114) of the Finance Act 2017, in Article 1 (210-215) of the Finance Act 2019 and in Article 13-*bis* of the Fiscal Decree linked to Finance Act 2020, as subsequently amended.

3.1.2 Capital gains tax

Italian resident Noteholders or Securityholders

The relevant capital gains regime applies under similar rules to those described above under section 2.1.2 "*Program Securities representing debt instruments implying a "use of capital"having capital protection guaranteed by the Issuer - Italian resident Noteholders and Securityholder"* above.

Non-Italian resident Noteholders or Securityholders

No withholding tax is applied on payments to a non-Italian resident Noteholder and/or Securityholder of Interest relating to the Program Securities provided that, if the Program Securities are placed (*collocati*) in Italy, the non-Italian resident Noteholder and/or Securityholder declares itself to be a non-Italian resident acording to Italian tax regulations.

The capital gains regime is similar to that described above under section 1.2"*Program Securities representing derivative financial instruments or bundles of derivative financial instruments – Non-Italian resident Noteholders and/or Securityholders*" above.

4. Inheritance and gift tax

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, transfers of any valuable assets (including the Program Securities) as a result of death or *inter vivos* gift (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose (*vincoli di destinazione*) are taxed as follows:

(a) four per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on that part of the value that exceeds EUR 1,000,000 (per beneficiary);

(b) six per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on that part of the value that exceeds EUR 100,000 (per beneficiary);

(c) six per cent. if the transfer is made to relatives up to the fourth degree (*parenti fino al quarto grado*), to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree (*affini in linea retta nonché affini in linea collaterale fino al terzo grado*); and

(d) eight per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, pursuant to Law No. 104 of 5 February 1992, the tax applies on that part of the value that exceeds EUR 1,500,000.

5. Stamp Duty

Pursuant to Article 13 paragraph 2-bis and 2-ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, as amended and supplemented, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients and relating to securities and financial instruments. The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value is available – the nominal value or redemption amount of the securities held. The stamp duty cannot exceed the amount of Euro 14,000 if the recipient of the periodic reporting communications is an entity (i.e., not an individual).

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable pro-rata.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 15 July 2015) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

The stamp duty applies both to Italian resident and non-Italian resident investors, to the extent that the Program Securities are held with an Italian-based financial intermediary.

6. Wealth Tax

Pursuant to Law Decree No. 201 of 6 December 2011, converted into Law No. 214 of 22 December 2011 as subsequently amended and supplemented, Italian resident individuals, non-profit entities and certain partnerships including *società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917 holding the Program Securities abroad are required to pay in its own annual tax returns a wealth tax ("**IVAFE**") at a rate of 0.20 per cent. for each year. The maximum amount due is set at Euro 14,000 for Noteholders/Securityholders other than individuals.

This tax is calculated on an annual basis on the market value of the securities at the end of the relevant year or – if no market value is available – the nominal value or the redemption value of such financial assets held abroad. Taxpayers are entitled to an Italian tax credit equivalent to the amount of any wealth tax paid in the State where the financial assets are held (up to an amount equal to the IVAFE due). The financial assets held abroad are excluded from the scope of the wealth tax, if such financial assets are administered by Italian financial intermediaries pursuant to an administration agreement.

7. Financial Transaction Tax (FTT) depending on the features of the Program Securities

Pursuant to Law No. 228 of 24 December 2012, a FTT applies to (a) transfer of shares and other participating securities issued by Italian resident companies or of financial instruments representing the mentioned shares and/or participating securities (irrespective of whether issued by Italian resident issuers or not) (the Relevant Securities), (b) transactions on financial derivatives (i) the main underlying assets of which are the Relevant Securities, or (ii) whose value depends mainly on one or more Relevant Securities, as well as to (c) any transaction on certain securities (i) which allow to mainly purchase or sell one or more Relevant Securities or (ii) implying a cash payment determined with main reference to one or more Relevant Securities.

Certain Program Securities could be included in the scope of application of the FTT if they meet the requirements set out above. On the other hand, Program Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) are not included in the scope of the FTT.

The FTT on derivative instruments is levied at a fixed amount that varies depending on the nature of the relevant instrument and the notional value of the transaction, and ranges between Euro 0.01875 and Euro 200 per transaction. The amount of FTT payable is reduced to 1/5 of the standard rate in case the transaction is performed on regulated markets or multilateral trading facilities of certain EU and EEA member States. The FTT on derivatives is due by each of the parties to the transactions. FTT exemptions and exclusions are provided for certain transactions and entities.

The FTT is levied and paid by the subject (generally a financial intermediary) that is involved, in any way, in the execution of the transaction. Intermediaries which are not resident in Italy but are liable to apply the FTT can appoint an Italian tax representative for the purposes of the FTT. If no intermediary is involved in the execution of the transaction, the FTT must be paid by the relevant taxpayers.

Investors are advised to consult their own tax advisors also on the possible impact of the FTT.

8. Tax monitoring obligations

Pursuant to Italian Law Decree No. 167 of 28 June 1990, as amended by Law No. 97 of 6 August 2013 and by Law No. 50 of 28 March 2014, individuals, non-profit entities and certain partnerships (in particular, società semplici or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy are required to report in their yearly income tax declaration, for tax monitoring purposes, the amount of Program Securities held abroad during each tax year.

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the beneficial owner of the instrument for anti-money laundering purposes. The above

reporting is not required to be complied with respect to Program Securities deposited for management with qualified Italian intermediaries and with respect to contracts entered into through their intervention, provided that the financial flows and income derived from the Program Securities are subject to tax by the same intermediaries.

9. EU Directive on Administrative Cooperation in the field of Taxation

On 9 July 2015, the Italian Parliament adopted Law No. 114 delegating the Italian Government to implement in Italy certain EU Council Directives, including Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). Such Directive is aimed at broadening the scope of the operational mechanism of intra-EU automatic exchange of information in order to fight cross-border tax fraud and evasion. The Italian government implemented the above-mentioned Council Directive 2014/107/EU in the Ministerial Decree issued by the Ministry of Finance on 28 December 2015, as amended by the Ministerial Decree of 17 January 2017. Following the Ministerial Decree quoted, the Italian tax authorities may communicate to other EU Member States information about interest and other categories of financial income of Italian source, including income from the Notes.

Furthermore, the Italian Government implemented the later changes to the Council Directive 2011/16/EU, including the changes introduced by the Council Directive 2376/2015/EU on the mandatory automatic exchange of information on advance cross-border rulings and advance pricing arrangements, through the issue of the Legislative Decree 15 March 2017, no. 32, and by the Council Directive 2016/2258/EU as regards access to anti-money-laundering information by tax authorities, through the issue of the Legislative Decree 18 May 2018, no. 60.

SPANISH TAXATION

The information provided below does not purport to be a complete summary of tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect. Furthermore, it is not a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Program Securities, and does not describe the tax consequences for certain categories of taxpayers including, but not limited to entities falling under the attribution of income regime, financial institutions, Collective Investment Institutions, Cooperatives, which may be subject to specific rules. Prospective investors who are in any doubts as to their position should consult with their own professional advisors.

In particular, note that the Spanish government is considering the introduction of specific tax measures that may modify the taxation of, among others, the debt securities described herein. There measures may include, inter alia, the following amendments:

(i) Personal Income Tax: An increase of the tax rates applicable to dividends, interest and income and capital gains derived from the transfer of the debt securities or ordinary shares corresponding to individuals resident in Spain.

(ii) Net Wealth tax: An 1% increase in the Net Wealth Tax rate applicable to individuals whose net worth exceeds €10 million.

(iii) Corporate Income Tax: The Spanish participation exemption may be modified from a full exemption to a 95% exemption. In addition, a potential minimum 15% tax rate (18% for, e.g., credit entities) may also be introduced under specific conditions.

These measures have not yet been passed and it is not clear if (or how) they might ultimately be approved.The summary set out below is based upon Spanish state law in force and is subject to any changes in the laws of Spain that may take effect after such date. This summary does not take into account any regional or local legislation that could be of application.

This information has been prepared in accordance with the following Spanish tax legislation:

- for individuals resident for tax purposes in Spain which are subject to Personal Income Tax, Law 35/2006, of 28 November 2006, on Personal Income Tax ("PIT Law") and partial amendment of Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law, as amended; Royal Decree 439/2007, of 30 March 2007 promulgating the Personal Income Tax Regulations, as amended; Law 19/1991, of 6 June 1991 on Net Wealth Tax, as amended, and Law 29/1987, of 18 December 1987, on Inheritance and Gift Tax, as amended.

- for legal entities resident for tax purposes in Spain which are subject to Corporate Income Tax, Law 27/2014, of 27 November 2014, of the Corporate Income Tax ("CIT Law"), as amended, and Royal Decree 634/2015, of 10 July 2015, promulgating the Corporate Income Tax Regulations, as amended.

- for individuals and entities who are not resident in Spain for tax purposes, Royal Legislative Decree 5/2004, of 5 March 2004, promulgating the Consolidated Text of the Non-Residents Income Tax Law ("NRIT Law"), as amended; Royal Decree 1776/2004, of 30 July 2004, promulgating the Non-Residents Income Tax Regulations, as amended, Law 19/1991, of 6 June 1991 on Net Wealth Tax, as amended, and Law 29/1987, of 18 December 1987, on Inheritance and Gift Tax, as amended.

(a) **Taxes on Income and Capital Gains**

Notes:

Individuals with tax residency in Spain subject to Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)

The taxation of income from the Notes under the Personal Income Tax is not expressly foreseen in the legislation. This leads to the need for applying the general principles under said tax, as well as to try to infer, from the Tax Authorities' doctrine, a line of interpretation in order to ascertain what the tax treatment should be.

Under this scenario, and following an interpretation of the general principles governing the Personal Income Tax, as well as the doctrine issued by the Spanish Tax Authorities on financial products, it can be said that, in principle, interest from the Notes obtained by individuals who have the status of taxpayers for the purposes of Spanish Personal Income Tax, and also income from the transfer, reimbursement, redemption, exchange or conversion of the Notes should, in general terms, be considered income from movable capital obtained due to the supply of funds to third parties upon the terms of Article 25.2 of Law 35/2006, of November 28, on the Personal Income Tax. Such income would be included in the savings tax base and, in cases of losses, their integration on the savings tax base and their offsetting will be subject to the rules foreseen in that respect in the Personal Income Tax legislation.

Income included in the savings taxable base are taxed at a flat rate of 19 per cent (applicable to the first Euros 6,000), 21 per cent. (applicable to the following Euros 50,000) and 23 per cent. (applicable to any excess over Euros 50,000).

Income derived from the Notes will be subject to withholding tax currently at a rate of 19 per cent., in case there is any person or entity obliged to levy said withholding tax in accordance with the general rules of the levying of withholding taxes (i.e. in the event that an entity based in Spain is the custodian of the securities, or is in charge of the collection of the income from them in favour of the holders, or is in charge of the redemption of the securities, or receives from the holder the order to transfer the security, as the case may be).

Legal Entities with tax residency in Spain subject to Corporate Income Tax (*Impuesto sobre Sociedades*)

The tax regime for Spanish-resident entities holders of Notes is included in the CIT Law and the Royal Decree 634/2015, of July 10, that approves the Corporate Income Tax Regulations, as amended ("Royal Decree 634/2015").

The taxable income derived from the payment of the interest generated by the Notes and also from the transfer, reimbursement, redemption, exchange or conversion of the Notes will be calculated in accordance with the accounting treatment of such income by the relevant entity. The tax adjustments to the accounting treatment which may be of application should be taken into account when calculating the taxable base. In principle, the general rate in force for 2020 is twenty five per cent. (25 per cent.).

Any income derived from the Notes could be subject to withholding tax of 19 per cent. on account of the Corporate Income Tax of the holder in case there is any person or entity obliged to levy said withholding tax in accordance with the general rules of the levying of withholding taxes (i.e. in the event that an entity based in Spain is the custodian of the securities, or is in charge of the collection of the income from them in favor of the holders, or is in charge of the redemption of the securities, or receives from the holder the order to transfer the security, as the case may be).

In any case, income derived from the Notes obtained by entities which are considered taxable persons for Corporate Income Tax purposes will not be subject to withholding tax on account of Corporate Income Tax, in accordance with the provisions of Article 61.s) of Royal Decree 634/2015, provided that the Notes were securities traded on an organised market of an OECD country.

Individuals and Legal Entities with no tax residency in Spain subject to Non-Resident Income Tax (*Impuesto sobre la Renta de no Residentes*)

Interest generated by the Notes or from the transfer, reimbursement, redemption, exchange or conversion of the Notes obtained by individuals and legal entities not resident for tax purposes in Spain will be taxed pursuant to the NRIT Law .

Income obtained through a permanent establishment

Income from the Notes obtained through a permanent establishment in Spain will be taxed in accordance with the rules of Chapter III of the NRIT Law, subject to the provisions of any relevant double tax treaties.

The aforementioned tax rules for taxable persons under Spanish Corporate Income Tax (entities resident for tax purposes in Spain) will apply for persons or legal entities not resident in Spain but acting through a permanent establishment in such territory.

Income obtained without a permanent establishment

Income realised by investors residing for tax purposes outside Spain and without a permanent establishment within the Spanish territory (individuals and legal entities) would not be considered, in general terms, as Spanish-source income and, therefore, would not be subject to taxation and withholding tax in Spain under the NRIT Law.

Warrants/Certificates:

(i) ***Individuals with tax residency in Spain subject to Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)***

According to what has been the traditional doctrine of the Spanish Tax Authorities, income from the Warrants/Certificates, under the Personal Income Tax, will be classified as capital gains or losses provided that, basically (i) the premium paid will not be taken into consideration in calculating the amounts corresponding to the payout on maturity date or during the life of the warrant/certificate (therefore, income from the warrants/certificates will only be linked to the evolution of the underlying assets), (ii) the warrant/certificate is not a financial asset that gives the holder an explicit and regular return and (iii) the amount of the premium paid is substantially lower than the amount that should have been paid if the underlying asset would have been purchased spot.

The transfer of Warrants/Certificates will qualify as a capital gain (or loss), calculated as the excess of the transfer price (after deduction of the expenses and commissions paid by the Warrant/Certificate holder inherent to the transfer) over the acquisition value (i.e. the original acquisition or purchase price of the Warrant/Certificate by the holder, increased by the costs paid by him/her inherent to said acquisition).

Upon the exercise or maturity of a Warrant/Certificate, the capital gain or loss will be calculated as the difference between (i) the settlement amount (after deduction of the expenses and commissions inherent paid by the Warrant/Certificate holder) and (ii) the acquisition value (as above defined).

Any of the above capital gains or losses would be included in the savings income taxable base. As above commented, income included in the savings taxable base is taxed at a flat rate of 19 per cent (applicable to the first Euros 6,000), 21 per cent (applicable to the following Euros 50,000) and 23 per cent (applicable to any excess over Euros 50,000).

The capital gains derived from the transfer or the exercise of a Warrant/Certificate will not be subject to withholding tax on account of the Personal Income Tax.

(ii) **Legal Entities with tax residency in Spain subject to Corporate Income Tax (*Impuesto sobre Sociedades*)**

In principle, the taxable income will be calculated by correcting, by application of the rules contained in CIT Law, the accounting result determined in accordance with the applicable accounting legislation. As a consequence, investors would be taxed depending on the specific accounting of the Warrants/Certificates.

As a general rule, gains or losses realised by the tax payer subject to Corporate Income Tax either through the sale or the exercise of the warrant/certificate will be included in their taxable income under the general provisions of CIT Law. Nevertheless, taxable income could arise before the sale or the exercise of the Warrant/Certificate if its accounting implies the registration of profits prior to sale or exercise.

Individuals and Legal Entities with no tax residency in Spain subject to Non-Resident Income Tax (Impuesto sobre la Renta de no Residentes)

The income derived from the transfer or the exercise of a warrant/certificate obtained by individuals or legal entities taxpayers not resident for tax purposes in Spain will be taxed pursuant to the NRIT Law.

Income obtained through a permanent establishment

The income from the Warrants/Certificates obtained through a permanent establishment in Spain will be taxed in accordance with the rules of Chapter III of the NRIT Law, subject to the provisions of any relevant double tax treaties.

Such income will be taxed and will not be subject to withholding tax on account of the Non-Residents Income Tax upon the same terms set out above for taxable persons under Spanish Corporate Income Tax (entities resident for tax purposes in Spain).

Income obtained without a permanent establishment

Income realised by investors residing outside Spain and without a permanent establishment within the Spanish territory (individuals and legal entities) would not be considered as Spanish-source income and, therefore, would not be subject to taxation and withholding tax in Spain under the NRIT Law.

(b) **Wealth Tax (Impuesto sobre el Patrimonio)**

The ownership of Program Securities as of 31 December 2020 would be subject to the Net Wealth Tax pursuant to Spanish Net Wealth Tax regulated by Law 19/1991, of June 6, as amended ("**Net Wealth Tax Law**"), subject to the application of any relevant double tax treaties.

According to article 3 of the royal Decree Law 18/2019, of 27 December, Net Wealth Tax should apply in 2020 but it is scheduled to be removed by means of a full relief (*bonificación del 100%*) from 1 January 2021 onwards (unless such relief is revoked or postponed again).

Only individuals holders of Program Securities would be subject to the Net Wealth Tax. Legal entities are not taxable persons under the Spanish Net Wealth Tax.

Individuals with tax residency in Spain

Under article 5 of the Net Wealth Tax Law, the relevant taxpayers will be those individuals who have their tax residence in Spain regardless of the place where their assets or rights are located or could be exercised and to the extent that their net wealth exceeds Euros 700,000 on the last day of the calendar year.

Consequently, the ownership of the Program Securities by individuals resident for tax purposes in Spain will be subject to taxation under the Net Wealth Tax at a progressive rate scale from 0.2 per cent. to 2.5 per cent.

However, it is necessary to take into account that the power to implement the Net Wealth Tax (including certain tax benefits) has been transferred to the Spanish regions. Therefore, an analysis must be made in each specific case to determine to what extent any regional legislation might be applicable, since there might be differences in respect of the final taxation under Net Wealth Tax depending on the region in which an investor resides which could even eliminate the taxation.

Individuals with no tax residency in Spain

Non-Spanish residents would not be subject to the Net Wealth Tax on the holding of the Program Securities, provided that the Program Securities are not located in Spain and the rights deriving from them cannot be exercised within the Spanish territory.

(c) **Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)**

Individuals with tax residency in Spain

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any Program Securities by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The applicable effective tax rates range between 7.65% and 81.6%, depending on several factors. However, it is necessary to take into account that the Spanish Inheritance and Gift Tax (including certain tax benefits) have been transferred to the Spanish regions.

Therefore, an analysis must be made in each specific case to determine to what extent any regional legislation might be applicable, since there might be differences in respect of the final taxation under Spanish Inheritance and Gift Tax depending on the region in which an investor resides that could even eliminate the taxation.

Legal Entities with tax residency in Spain

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Program Securities by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax. Instead, income obtained will be subject to the Corporate Income Tax.

Individuals and Legal Entities with no tax residency in Spain

Non-Spanish tax resident individuals that acquire ownership or other rights over the Program Securities by inheritance, gift or legacy, will not be subject to the Spanish Inheritance and Gift Tax provided that the Program Securities are not located in Spain and the rights deriving from them cannot be exercised within the Spanish territory. No taxation would arise in Spain on the acquisition of the Program Securities by non-Spanish entities without a permanent establishment in the Spanish territory.

Non-Spanish tax resident entities with a permanent establishment within the Spanish territory which acquire the ownership or other rights over the Program Securities by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax. Instead, income obtained will be subject to the Non-resident Income Tax, subject to the application of any relevant double taxation treaty.

(d) **Value Added Tax, Transfer Tax and Stamp Duty**

The issuance, acquisition and transfer of Program Securities is neither taxable under the Transfer Tax and Stamp Duty Tax, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September, nor under the Value Added Tax, in accordance with Law 37/1992, of 28 December, regulating such tax.

(e) **Disclosure obligations in connection with assets held abroad by Spanish resident natural and legal persons (Form 720)**

According to Law 7/2012, of 29 October, Spanish resident natural or legal persons holding certain categories of assets abroad (including inter alia the Program Securities) may be potentially liable to report them to the Spanish tax authorities on a yearly basis (filing in respect of Securities held as of 31 December 2020 will be due by 31 March 2021) in certain circumstances. Accordingly, any Spanish resident individual and corporate investors using a non-Spanish resident custodian to hold the Program Securities may be potentially liable to comply with such reporting obligations in

respect of the Program Securities, if certain conditions are met. Failure to meet this new reporting obligation may trigger significant tax penalties and other tax implications.

FINNISH TAXATION

The following is a general description of certain Finnish tax considerations relating to the Program Securities. As each Tranche of the Program Securities may be subject to different tax treatment in Finland due to the specific terms and conditions of such Tranche, the following is only a generic overview of Finnish tax aspects that may be of relevance with respect to the possible tax treatment of Program Securities. The following description relates only to payments by the relevant Issuer or Guarantor to beneficial owners of the Program Securities and may not apply to certain classes of investors, such as tax exempt entities, entities deemed as controlled foreign companies, individuals holding their Program Securities as business assets and general or limited partnerships. It does not purport to be a complete analysis of all tax considerations relating to the Program Securities, whether in Finland or elsewhere. Prospective purchasers of Program Securities should consult their own tax advisors as to which countries' tax laws could be relevant to acquiring, holding and disposing of Program Securities and receiving payments of interest, principal and/or other amounts under the Program Securities and the consequences of such actions under the tax laws of those countries. This description is based upon the law as in effect and applied on the date of this Base Prospectus, as well as on the current tax practice, and is subject to any changes in laws and their interpretation that may take effect after such date, including changes with retroactive effect.

For the purpose of the Finnish tax consequences described herein, it is assumed that the relevant Issuer or Guarantor is neither a resident nor deemed to be a resident of Finland for Finnish tax purposes and that the relevant Issuer or Guarantor is not deemed to have a permanent establishment in Finland for Finnish tax purposes.

General

The scope of taxation in Finland is defined by the tax liability position of a taxpayer. Finnish residents for taxation purposes subject to taxation in Finland on their worldwide income. Persons that are not resident in Finland for taxation purposes and are not deemed to have a permanent establishment in Finland for Finnish tax purposes are subject to taxation in Finland solely in respect of their Finnish source income.

Generally, an individual is deemed to be a Finnish resident for taxation purposes if the individual continuously stays in Finland for more than six consecutive months or if the permanent home and abode of the individual is in Finland. A citizen of Finland who has moved abroad is regarded as resident for Finnish taxation purposes until three years have passed after the end of the year of emigration, even if the individual would not stay in Finland for six consecutive months and the permanent home and abode would not be located in Finland, if the individual cannot prove that he/she has not had any essential ties to Finland in the tax year in question.

Legal entities established under the laws of Finland are regarded as residents of Finland in accordance with domestic tax law.

Double tax treaties may restrict the authority of the Finnish state to tax the foreign source income of an individual or entity deemed as resident of Finland pursuant to Finnish domestic tax law.

In the hands of individuals, earned income is taxed at progressive tax rates, while capital income up to EUR 30,000 per calendar year is taxed at a rate of 30 per cent and capital income exceeding EUR 30,000 per calendar year at a rate of 34 per cent. Corporate entities established under the laws of Finland are regarded as residents of Finland and thus subject to corporate income tax on their worldwide income. The current corporate income tax rate is 20 per cent.

This summary describes the Finnish taxation of certain types of income and is general by nature. The tax treatment applicable to an investor depends on the individual circumstances of such investor. Thus, prospective investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of the Program Securities.

Taxation of Finnish Resident Individuals

Taxation of Capital Gains

Any income from the sale or other disposal of securities that is considered capital gains in the Finnish taxation is taxed as capital income in accordance with the Finnish Income Tax Act (Fi. Tuloverolaki

(1535/1992)), as amended. The capital income tax rate is currently 30 per cent for capital income of up to EUR 30,000 per calendar year and 34 per cent for capital income exceeding EUR 30,000 per calendar year. However, capital gains are exempted from tax if the total amount of the consideration from the disposal of the person's disposed assets does not exceed EUR 1,000 in a tax year. Correspondingly, any loss arising from the sale or other disposal of securities that does not belong to the business activities of the individual is deductible from capital gains and generally also from other capital income arising in the same year or during the subsequent five years. Capital losses due to disposal will not, however, be tax deductible if the total amount of the acquisition costs of the assets sold by the individual does not exceed EUR 1,000 in a tax year.

Capital gains and losses are calculated as the difference between the consideration from the disposal and the aggregate of the actual acquisition cost and sales-related expenses. Generally, individuals may alternatively choose to apply the presumptive acquisition cost instead of the actual acquisition cost for the assets. The presumptive acquisition cost of 20 per cent is deducted from the consideration from the disposal but, if the shareholder has held the assets for at least ten years, the presumptive acquisition cost is 40 per cent of the consideration from the disposal. If the presumptive acquisition cost is applied instead of the actual acquisition cost, all expenses arising from acquiring the gains are deemed to be included in the presumptive acquisition cost and, therefore, cannot be deducted separately from the consideration from the disposal.

According to a ruling by the Finnish Supreme Administrative Court, the income from the sale or exercise of non-listed cash-settled Warrants that are transferable securities and that, even if non-listed, have such qualities that they could be listed, is subject to taxation in Finland as a capital gain. The same tax treatment should apply to listed Warrants. It would, furthermore, seem that the income from the sale or exercise of non-listed cash-settled Warrants that do not fulfil the criteria discussed in the above Supreme Administrative Court ruling, would be taxable as other capital income of the Finnish resident individual investor, and not as a capital gain (see below for the taxation of other capital income).

According to the above-mentioned ruling, losses arising from the sale or exercise of non-listed cash-settled Warrants, in cases where the Warrants do not qualify for capital gains taxation as discussed above, are non-deductible altogether in the taxation of a Finnish resident individual investor.

The principles of the above-discussed ruling should as a starting point apply also with respect to Certificates.

Taxation of Other Capital Income and Withholding Obligations

Other capital income than income classified as capital gains (e.g. interest income, so called secondary market compensation and index compensation) paid to individuals and estates of a deceased person is subject to Finnish capital income tax in accordance with the Income Tax Act. The capital income tax rate is currently 30 per cent (34 per cent of the capital income exceeding EUR 30,000 per calendar year (including also capital gains)).

Assuming that the Issuer (or the Guarantor, as the case may be) is not a Finnish resident for tax purposes and is not deemed to have a permanent establishment in Finland for Finnish tax purposes, it is not under the obligation to perform withholding for any income tax payable in Finland in respect of payments made under the issued securities. Instead, a paying agent or intermediary resident in Finland for tax purposes, when effecting a payment to an individual or estate of a deceased person resident in Finland, is generally under the obligation to withhold tax prepayment from any interest and secondary market compensation (but not from capital gains) paid to individuals resident in Finland for tax purposes and estates of deceased Finnish resident persons, where such payment is made through such paying agent or intermediary. However, if the paying agent or intermediary is considered as a substitute payer of the Issuer for Finnish tax purposes, such agent or intermediary is also obliged to withhold the tax prepayment for other capital income payments than interest payments or secondary market compensation. The current rate of tax prepayment is 30 per cent and the withholding shall be made in accordance with the Prepayment Act (Ennakkoperintälaki (1118/1996)), as amended. The Act on Source Tax on Interest Income (Laki korkotulon lähdeverosta (1341/1990)), as amended, is not applicable provided the Issuer does not have a branch in Finland.

Taxation of Finnish Corporate Entities

The following applies to Finnish corporate entities taxed in accordance with the Business Income Tax Act (Fi. Laki elinkeinotulon verottamisesta (360/1968)), as amended. Due to recent amendments in the Finnish tax legislation, as of tax year 2020, most Finnish corporate entities are taxed exclusively in accordance with the Business Income Tax Act.

Finnish corporations are subject to a national corporate income tax on their worldwide income. Corporate income is taxed according to a fixed tax rate which currently is 20 per cent. No tax prepayment is withheld from the interest or other payments made to corporate entities residing in Finland.

The capital gain (as well as the capital loss) is calculated by deducting the total sum of the actual acquisition cost and selling cost from the consideration from the disposal. Confirmed losses can generally be carried forward and deducted from the taxable income for ten years following the loss-making year, provided that no change in ownership triggering forfeiture of tax loss carry-forwards occur. Specific limitations apply to the deductibility of any capital losses incurred under the Income Tax Act prior to tax year 2020, as well as capital losses incurred from the transfer of assets belonging to the "other assets" asset class under the Business Income Tax Act, introduced as of tax year 2020.

Taxation of Non-Finnish Residents

Non-Finnish tax residents who do not conduct business through a permanent establishment in Finland, are not subject to Finnish taxation either on payments under securities or gains realized on the sale or other disposal of securities.

Reporting and Compliance

A Finnish paying agent or intermediary is generally obliged to report to the Finnish tax administration any interest payments and comparable yield payments, secondary market compensations and index compensations paid to and received under securities by a Finnish tax resident individual or an estate of a deceased resident individual, or a non-resident recipient of such payment, and any preliminary tax withheld from such payments. Resident individuals and estates of a deceased person are required to review the tax information contained in their pre-completed annual tax return and, if necessary, correct or complete the information in the tax return.

Transfer Taxation and Value-Added Taxation

Redemption by way of a cash settlement or a transfer of the Program Securities should not be subject to Finnish transfer taxation or VAT. Investors should note that Finnish transfer tax considerations may arise in connection with Securities that are settled or redeemed by way of a physical delivery of Finnish shares or other instruments deemed as securities under the Finnish Transfer Tax Act (Fi. Varainsiirtoverolaki (931/1996)), as amended and that Finnish VAT considerations may arise in connection with securities that are settled or redeemed by way of a physical delivery of commodities.

SWEDISH TAXATION

There is no Swedish withholding tax at source (*källskatt*) applicable on payments made by the Issuer in respect of the Program Securities. Sweden operates a system of preliminary tax (*preliminärskatt*) to secure payment of taxes. In the context of the Program Securities a preliminary tax of 30 per cent. will be deducted from all payments of interest (including any compensation deemed to constitute interest for tax purposes) in respect of the Program Securities made to any individuals or estates that are resident in Sweden for tax purposes, provided the paying entity is subject to reporting obligations. A preliminary tax of 30 per cent. will also be deducted from any other payments in respect of the Program Securities not treated as capital gains, if such payments are paid out together with payments treated as interest. Depending on the relevant holder's overall tax liability for the relevant fiscal year, the preliminary tax may contribute towards, equal or exceed the holder's overall tax liability with any balance subsequently to be paid by or to the relevant holder, as applicable.

NORWEGIAN TAXATION

The following is a summary of certain Norwegian tax consequences for holders of Notes, Warrants or Certificates who are resident in Norway for tax purposes.

The summary is based upon the laws of Norway as it is interpreted and practised as of the date of this Offering Circular. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis. The summary does not address foreign tax laws.

Certain specific tax consequences may occur for certain categories of Norwegian holders of Notes, Warrants or Certificates, e.g. for Norwegian holders to which special tax regimes apply, if the Norwegian holder ceases to be tax resident in Norway, etc. The tax treatment of each holder may depend on the holder's specific situation and the specific instrument issued to the holder. The following comments are of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. The purpose of this summary is to provide a high-level and general overview of the main tax consequences that may arise under Norwegian law, and does not purport to be exhaustive in respect of all tax issues of relevance for Norwegian holders of Notes, Warrants or Certificates. Each investor should consult a tax advisor as to the tax consequences relating to their particular circumstances resulting from the holding and disposition of the Notes, Warrants or Certificates.

The Norwegian tax consequences depend inter alia on the classification of the securities for Norwegian tax purposes. The summary outlines certain limited aspects of Norwegian tax consequences for financial instruments which for Norwegian tax purposes are either classified as (i) debentures (debt securities) or as (ii) equity securities.

The summary below for Notes is based on the assumption that the Notes are considered as debt for tax purposes.

Taxation of Noteholders Resident in Norway

Taxation of return on the Notes prior to disposal

Any kind of return received on the Notes prior to the disposal is taxable as "ordinary income" subject to the flat rate of 22% (2020), or 25% for financial institutions covered by the Norwegian financial tax (No: "*Finansskatt*"). Return on the Notes is taxed on accruals basis (i.e. regardless of when the return is actually paid).

Taxation upon disposal or redemption of the Notes

Redemption at the end of the term as well as prior disposal is treated as realisation of the Notes and will trigger a capital gain or loss. Capital gains will be taxable as "ordinary income", subject to the flat rate of 22% (2020), or 25% for financial institutions covered by the Norwegian financial tax (No: "*Finansskatt*"). The tax liability applies irrespective of how long the Notes have been owned and the number of Notes that have been redeemed or realised. Losses will be deductible in the Noteholder's "ordinary income", taxed at the same tax rate.

Any capital gain or loss is computed as the difference between the amount received by the Noteholder on realisation and the cost price of the Notes. The cost price is equal to the price for which the Noteholder acquired the Notes. Costs incurred in connection with the acquisition and realisation of the Notes may be deducted from the Noteholder's taxable income in the year of the realisation.

Net wealth taxation

Limited companies and similar entities are not subject to net wealth taxation.

Individuals tax resident in Norway are subject to net wealth taxation in Norway. The value of the Notes at the end of each income year will be included in the computation of the Noteholder's taxable net wealth for municipal and state net wealth tax purposes. Listed bonds are valued at their quoted value on 1 January in the assessment year, while non-listed bonds in a foreign company are valued at their estimated market value on 1 January in the assessment year (i.e. the year subsequent to the relevant fiscal year). The marginal tax

rate for net wealth tax is currently 0.85%. Net wealth below a threshold of NOK 1,500,000 per person is not subject to net wealth tax.

Withholding tax

There is currently no Norwegian withholding tax (*No: kildeskatt*) applicable on payments of interest from a Norwegian resident Issuer. The Norwegian Ministry of Finance has however published a consultation paper relating to withholding tax on interest in February 2020, Pursuant to the proposal presented in the consultation paper, interest that is paid from an entity with full or limited tax liability to Norway, to a recipient that is tax resident outside of Norway, will be subject to 15% withholding tax to the extent the recipient is a related party to the payor and the recipient is tax resident in a low-tax jurisdiction. A 50% ownership would pursuant to the proposal be sufficient to constitute a related party relation in this respect. A low-tax jurisdiction has been defined as a jurisdiction that has an efficient tax rate that is less than 2/3 of the effective Norwegian tax rate on similar income.

The new rules are proposed to come into effect from 1 January 2021. If the new rules come into effect, Norway's right to deduct withholding tax may be limited through applicable tax treaty.

Norway will nevertheless not levy withholding tax on payments on the Notes classified as interest for tax purposes, provided that the Issuer is neither resident in Norway for Norwegian tax purposes nor has any other taxable presence (*e.g.* a permanent establishment) in Norway.

VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of Notes, Warrants or Certificates.

Inheritance tax

Norway does not impose inheritance or gift tax. However, the heir acquires the donor's tax input value based on principles of continuity. Thus, the heir will be taxable for any increase in value in the donor's ownership, at the time of the heir's realization.

Taxation of Warrants and Certificates for holders Resident in Norway

General information

Warrants and Certificates can be issued with a large number of different underlying financial instruments (e.g. Share Securities, Index Securities, Commodity Securities, Bond Securities) or other assets as underlying reference.

The taxation of the Warrants and Certificates will depend on the underlying financial instrument or asset. Most of the underlying financial instruments listed in the Offering Circular are of a kind that will lead to a similar taxation of the Warrants and Certificates as for holding Notes, as described above. However, where shares in a company with limited liability is the underlying financial instrument, the tax treatment will be subject to the following tax consequences (described briefly below):

Personal investors

Sale, redemption or other disposals of Warrants and Certificates with shares as underlying instruments are considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian personal investor through a disposal of Warrants or Certificates are taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of general income in the year of disposal. The general income is taxable at a rate of 22% (2020). The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of Warrants or Certificates disposed of.

Gain or loss related to sale, redemption or other disposal of Warrants or Certificates is equal to the consideration received, less the purchase price (if any) and costs incurred in relation to the acquisition or realisation.

Corporate investors

Norwegian corporate investors' capital gain derived from Warrants and Certificates is generally subject to tax in Norway at the general income tax rate of 22% (2020).

Norwegian corporate investors may, however, be eligible for the Norwegian participation exemption method, to the extent the underlying objects of the Warrants and Certificates are shares in companies tax resident within the EEA, or indices which mainly derives its value from shares in companies tax resident within the EEA. To the extent the relevant jurisdictions are low-tax jurisdictions, there is an additional condition that the relevant companies are genuinely established and conduct genuine business activities in the relevant jurisdictions.

Provided that the requirements of the participation exemption method are fulfilled, capital gains upon redemption or realisation of the Warrants and Certificates are exempt from tax in Norway, and losses upon redemption or realisation of the Warrants and Certificates are not tax deductible in Norway.

However, 3% of any kind of return received on the Warrants and Certificates (with EEA shares as underlying instrument) classified as dividends shall be entered as general income and taxed at the ordinary tax rate (22%) under the participation exemption method, implying an effective tax rate of 0.66% (2020).

Potential investors in the Certificates who are resident in Norway should note that the participation exemption rule described above does not apply to Certificates in the form of bonds that are convertible into shares as underlying instrument. Such Certificates will be treated as a debt instruments as described above in the section entitled "Taxation of Noteholders Resident in Norway".

Net wealth taxation

Limited companies and similar entities are not subject to net wealth taxation.

Individuals tax resident in Norway are subject to net wealth taxation in Norway. The value of the Warrants and Certificates at the end of each income year will be included in the computation of the holder's taxable net wealth for municipal and state net wealth tax purposes. Listed Warrants and Certificates are valued at their quoted value on 1 January in the assessment year, while non-listed Warrants and Certificates are valued at their estimated market value on 1 January in the assessment year. The marginal tax rate for net wealth tax is currently 0.85%. Net wealth below a threshold of NOK 1,500,000 per person is not subject to net wealth tax.

Withholding tax

If an amount payable on a Warrant or Certificate is determined by reference to dividends that are paid or declared with respect to shares issued by a company resident in Norway, such payments may be subject to withholding tax in Norway. The rate of Norwegian withholding tax is 25%, unless the recipient qualifies for a reduced rate according to an applicable tax treaty or qualifies for tax exemption pursuant to the Norwegian participation exemption method. Corporate investors' resident within the EEA are exempt from Norwegian withholding tax, provided such corporate investors are genuinely established and conduct genuine business activities within the EEA.

The withholding obligation lies with the company distributing the dividends and the distributing company assumes this obligation. In accordance with the present administrative system in Norway, the Norwegian distributing company will normally withhold tax at the statutory rate or reduced rate according to an applicable tax treaty, based on the information registered with the Norwegian Securities Register (VPS) with regard to the tax residence of the shareholder. Strict rules concerning the documentation of the right to a reduced withholding tax applies.

VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of Notes, Warrants or Certificates.

Inheritance tax

Norway does not impose inheritance or gift tax. However, the heir acquires the donor's tax input value based on principles of continuity. Thus, the heir will be taxable for any increase in value in the donor's ownership, at the time of the heir's realization.

IRISH TAXATION

The following disclosure applies only in respect of Program Securities issued by Morgan Stanley, MSI plc, MSBV and MSFL each in their capacity as Issuer. It does not deal with payments made by Morgan Stanley in its capacity as Guarantor pursuant to the Guarantee. References in this section on Irish taxation to "Notes", "Certificates" and "Warrants" (Certificates and Warrants being collectively, the "Securities") and references to "Noteholders," "Securityholders", "Certificateholders" and "Warrantholders" (if any) should be construed accordingly.

The following is a summary of the Irish withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Program Securities. The comments do not deal with other Irish tax aspects of acquiring, holding, disposing or, abandoning Program Securities. Transactions involving Program Securities, including the issue and subscription of Program Securities, any purchase or disposal or settlement of Program Securities, may have Irish tax consequences for potential purchasers (including but not limited to, transfer taxes and possible withholding or deduction for or on account of Irish tax from payments made in respect of the Program Securities). The tax consequences may depend, amongst other things, on the status of the potential investor and the terms and conditions of a particular Program Security as specified in the Pricing Supplement. It is based on current law and practice of the Irish Revenue Commissioners, which may be subject to change, sometimes with retrospective effect. The comments relate only to the position of persons who are absolute beneficial owners of the Program Securities. Prospective Securityholders and Noteholders should be aware that the particular terms of issue of any series of Program Securities as specified in the applicable Pricing Supplement may affect the tax treatment of that and other series of Program Securities. The following is a general guide and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Prospective Securityholders and Noteholders who are in any doubt as to their tax position should consult their professional advisors about tax implications of purchasing and holding a Program Security, any transaction involving a Program Security, and any transaction involved in the exercise and settlement of a Program Security. Securityholders and Noteholders who may be liable to taxation in jurisdictions other than Ireland are particularly advised to consult their professional advisors as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain Irish withholding tax aspects of payments in respect of the Program Securities. In particular, Securityholders and Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Program Securities even if such payments may be made without withholding or deduction for or on account of taxation under the laws of Ireland.

Withholding Tax

Tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. The Issuers will not be obliged to withhold Irish income tax from payments of interest on the Program Securities so long as such payments do not constitute Irish source interest. Interest paid on the Program Securities may be treated as having an Irish source if:

(a) the relevant Issuer is resident in Ireland for tax purposes; or

(b) the relevant Issuer has a branch or permanent establishment in Ireland, the assets or income of which are used to fund the payments on the Program Securities; or

(c) the relevant Issuer is not resident in Ireland for tax purposes but the register for the Program Securities is maintained in Ireland or (if the Program Securities are in bearer form) the Program Securities are physically held in Ireland.

It is anticipated that, (i) the Issuers are not and will not be resident in Ireland for tax purposes; (ii) the Issuers do not and will not have a branch or permanent establishment in Ireland; and (iii) Program Securities will not be issued in bearer form and the Issuers will not maintain a register of any registered Program Securities in Ireland. For so long as this remains the case, interest payable on the Program Securities should not be regarded as Irish source interest.

If payments of interest on the Program Securities are found to constitute Irish source interest, the relevant Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a

payment of interest on a Program Security so long as the interest paid on the relevant Program Security falls within one of the following categories and meets the relevant conditions:

Interest paid on a quoted Eurobond:

A quoted Eurobond is a security which is issued by a company (such as the Issuers), is listed on a recognised stock exchange (such as Euronext Dublin, the Luxembourg Stock Exchange, the SIX Swiss Exchange or the Gibraltar Stock Exchange) and carries a right to interest. Provided that the Program Securities (i) carry an amount in respect of interest and (ii) are listed on Euronext Dublin, the Luxembourg Stock Exchange, the SIX Swiss Exchange or the Gibraltar Stock Exchange (or any other recognised stock exchange), interest paid on them can be paid free of withholding tax provided the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:

(A) the Program Security is held in a clearing system recognised by the Irish Revenue Commissioners; (DTC, Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or

(B) the person who is the beneficial owner of the Program Security and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form.

Thus, if interest payable on the Program Securities is found to have an Irish source, so long as the Program Securities (i) are interest bearing, (ii) continue to be quoted on Euronext Dublin, the Luxembourg Stock Exchange, the SIX Swiss Exchange or the Gibraltar Stock Exchange (or any other recognised stock exchange) and (iii) are held in a recognised clearing system, interest on the Program Securities can be paid by any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax. If the Program Securities continue to be quoted but cease to be held in a recognised clearing system, interest on the Program Securities may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent outside Ireland.

Short Interest:

Short interest is interest payable on a debt for a fixed period that is not intended to exceed, and, in fact, does not exceed, 364 days. The test is a commercial test applied to the commercial intent of each series of Program Securities. For example, if there is an arrangement or understanding (whether legally binding or not) for the relevant series of Program Securities to have a life of 365 days or more, the interest paid on the relevant Program Securities will not be short interest and, unless an exemption applies, a withholding will arise.

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Program Security, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder or Securityholder. There is an exemption from encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank

Stamp Duty

As none of the Issuers are registered in Ireland, stamp duty will not arise on a document effecting a transfer of the Program Securities so long as the instrument of transfer of the Program Securities does not relate to:

(a) any immoveable property in Ireland; or

(b) stocks or marketable securities of a company registered in Ireland (other than (i) an investment undertaking within the meaning of section 739 of the Taxes Consolidation Act 1997 ("**TCA**") or (ii) a qualifying company within the meaning of section 110 TCA).

LUXEMBOURG TAXATION

The following is a general description of certain Luxembourg tax considerations relating to the Program Securities. It does not purport to be a complete analysis of all tax considerations relating to the Program Securities, whether in Luxembourg or elsewhere. Prospective purchasers of the Program Securities should consult their own tax advisors as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Program Securities payments of interest, principal and/or other amounts under the Program Securities and the consequences of such actions under the tax laws of Luxembourg. The following is based upon the law as in effect on the date of this Base Prospectus. Prospective investors in the Program Securities should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Program Securities. Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), an employment fund's contribution (contribution au fonds pour l'emploi) as well as personal income tax (impôt sur le revenu).

Any reference in the present section to a withholding tax or other taxes refers to Luxembourg tax law and/or concepts only. A holder of Program Securities may not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of the Program Securities, or the execution, performance, delivery and/or enforcement of the Program Securities.

1. Luxembourg tax regime regarding Program Securities

Program Securities holders (the "**Securities Holders**") do not become resident of the Grand-Duchy of Luxembourg by merely subscribing, acquiring or holding Program Securities. However, they may be taxed in Luxembourg if the Program Securities income is effectively connected with a permanent establishment, a permanent representative or a fixed place of business they have in the Grand-Duchy of Luxembourg.

1.1 Withholding tax

(i) Non-resident Securities Holders

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Securities Holders, nor on accrued but unpaid interest in respect of the Program Securities which are not profit participating, nor is any withholding tax payable upon redemption or repurchase of the Program Securities held by non-resident Securities Holders.

(ii) Resident Securities Holders

RELIBI

Pursuant to the Luxembourg law of 23 December 2005, as amended (the "**RELIBI Law**"), a 20% withholding tax is levied on payments of interest or similar income made by Luxembourg paying agents to (or for the benefit of) Luxembourg resident individuals Security Holders. This withholding tax also applies on accrued interest received upon sale, disposal, redemption or repurchase of the Program Securities (if any). If applied, such withholding tax is in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth who does not hold the Program Securities as business assets.

Responsibility for the withholding of tax in application of the above-mentioned RELIBI Law is assumed by the Luxembourg paying agent within the meaning of the RELIBI Law.

Luxembourg resident individuals beneficial owners of interest payments or similar income made by a paying agent established outside Luxembourg in a Member State of the European Union or the European Economic Area (other than an EU Member State) may opt for a final 20% withholding tax. In such case, the 20% withholding tax is calculated on the same amounts as for the payments made by Luxembourg paying agents. The option for the 20 % final withholding tax must cover all interest payments made by paying agents to the beneficial owner during the entire civil year. If such an option is exercised by an individual holder for a fiscal year, that option is irrevocable for that individual holder for that fiscal year, and makes that individual responsible for applying and paying the 20% withholding tax in respect of interest they receive on Program Securities.

For the above purposes, the "paying agent" under the Relibi Law is the economic operator which pays interest or allocates the payment of the interest to the immediate benefit of the beneficial owner i.e. the last person in the payment chain before the Luxembourg resident individual.

1.2 **Income Taxation**

(i) **Non-resident Securities Holders**

A non-resident Securities Holder, not having a permanent establishment or permanent representative in Luxembourg to which or to whom such Program Securities are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, or any other income under the Program Securities. A gain realised by such non-resident Securities Holder on the sale or disposal, in any form whatsoever, of the Program Securities is further not subject to Luxembourg income tax.

A non-resident Securities Holder acting in the course of the management of professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom such Program Securities are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, or other income under the Program Securities, and on any gains realised upon the sale or disposal, in any form whatsoever of the Program Securities.

(ii) **Resident Securities Holders**

Securities Holders which or who are resident of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

Luxembourg resident corporate Securities Holders

A corporate Securities Holder must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of the Program Securities, in its taxable income for Luxembourg income tax assessment purposes.

A Luxembourg Securities Holder that is governed by (i) the Luxembourg law of 11 May 2007 on family estate companies, as amended; (ii) the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended; (iii) the Luxembourg law of 13 February 2007 on specialised investment funds, as amended; or (iv) the Luxembourg law of 23 July 2016 on reserved alternative investment funds, and does not invest in risk capital, will not be subject to any Luxembourg income tax in respect of any income received or accrued on the Program Securities, or on gains realised on the sale or disposal, in any form whatsoever, of Program Securities.

Luxembourg resident individual Securities Holders

An individual Securities Holder, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, has further to include the portion of the gain corresponding to accrued but unpaid interest in respect of the Securities Holders in his taxable income, except if (i) withholding tax has been levied on such payments in accordance with the RELIBI Law, or (ii) the individual Securities Holder has opted for the application of a 20 % withholding tax in full discharge of income tax in accordance with the RELIBI Law, which applies if a payment of interest has been made or ascribed by a paying agent established in an EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than an EU Member State).

Under Luxembourg domestic tax law, gains realised by an individual Securities Holder, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, on the sale or disposal, in any form whatsoever, of Program Securities are not subject to Luxembourg income tax, provided this sale or disposal took place six months after the acquisition of the Program Securities.

An individual Securities Holder acting in the course of the management of professional or business undertaking must include any income under the Program Securities in its taxable basis, corresponding to accrued but unpaid income in respect of the Program Securities in his/her taxable income.

Gains realised by an individual Securities Holder acting in the course of the management of a professional or business undertaking and who is resident of Luxembourg for tax purposes are subject to Luxembourg income taxes at the progressive ordinary rate (with a top marginal rate of 45.78%). Also for individuals

carrying on a business activity such gains should be subject to municipal business tax at a rate of 6.75% (for Luxembourg City).

(iii) **Net wealth tax**

A corporate Securities Holder, whether it is a resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such Program Securities are attributable, is subject to Luxembourg net wealth tax on such Program Securities, except if the Securities Holder is governed by (i) the Luxembourg law of 11 May 2007 on family estate companies, as amended; (ii) the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended; (iii) the Luxembourg law of 13 February 2007 on specialised investment funds, as amended; or (iv) it is a securitisation company governed by the Luxembourg law of 22 March 2004 on securitisation, as amended; or (v) it is a capital company governed by the Luxembourg law of 15 June 2004 relating to the investment company in risk capital, as amended; or (vi) it is a professional pension institution in the form of variable capital companies (*sociétés d'épargne-pension à capital variable* - SEPCAVs) or an association (*associations d'épargne-pension* - ASSEPs) governed by the Luxembourg law of 13 July 2005 on institutions for occupational retirement provision in the form of pension savings companies with variable capital and pension savings associations, as amended; or (vii) it is a reserved alternative investment fund, subject to the Luxembourg law of 23 July 2016 on reserved alternative investment funds.

Nevertheless, further to the law of 18 December 2015 on net wealth tax aspects, certain vehicles such as (i) securitisation corporations governed by the Luxembourg law of 22 March 2004 on securitisation, as amended; (ii) venture capital corporations governed by the Luxembourg law of 15 June 2004 relating to the investment company in risk capital, as amended; (iii) professional pension institutions in the form of variable capital companies (*sociétés d'épargne-pension à capital variable - SEPCAVs*) or associations (*associations d'épargne-pension - ASSEPs*) governed by Luxembourg the law of 13 July 2005 on institutions for occupational retirement provision in the form of pension savings companies with variable capital and pension savings associations, as amended; and (iv) reserved alternative investment funds investing in risk capital, subject to the Luxembourg law of 23 July 2016 on reserved alternative investment funds, should be in the scope of the minimum net wealth tax, which may either be EUR 4,815 or vary depending on the total amount of their balance sheet as well as the type of assets held, and should range from EUR 535 to EUR 32,100.

An individual Securities Holder, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg net wealth tax on Program Securities.

(iv) **Other taxes**

Under present Luxembourg tax law, in the case where a Securities Holder is a resident for tax purposes of Luxembourg at the time of his death, the Program Securities should be included in his taxable estate.

No estate or inheritance taxes are levied on the transfer of the Program Securities, upon death of a Securities Holder, in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes. Luxembourg gift tax may be due on a gift or donation of the Program Securities, if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

SWISS TAXATION

The following summary does not purport to be a comprehensive description of all Swiss tax considerations that may be relevant to a decision to purchase, own or dispose of the Program Securities and, in particular, does not consider specific facts or circumstances that may apply to a particular purchaser. It is for general information only and does not discuss all tax consequences of an investment in Program Securities under the tax laws of Switzerland. This summary is based on the tax laws of Switzerland currently in force and as applied on the date of this Offering Circular which are subject to changes (or changes in interpretation) which may have retroactive effect. Prospective purchasers are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and, lapse or exercise, disposition or redemption of Program Securities in the light of their particular circumstances.

Income Tax

Swiss Resident Noteholders and Securityholders

Dividend and Interest Payments or Redemption of Program Securities

Swiss residents receiving dividend payments or periodic interest payments during the investment or at redemption as one-time-interest generally must include these payments in their financial statements and/or in their income tax returns and owe individual income tax or corporate income tax on the relevant amounts.

Program Securities which are not straight derivatives for tax purposes or straight debt instruments but have components of debt instruments and derivatives intertwined generally qualify as combined instruments. The tax treatment of such Program Securities depends on whether the Program Securities are considered as transparent or not for Swiss income tax purposes.

If the Program Security is considered as not transparent for Swiss income tax purposes, any amount received by the Noteholder or Securityholder (upon sale, lapse or exercise or redemption) in excess of the amount invested (at issue or upon purchase) is treated as taxable income in the hands of the Noteholder or Securityholder if the Program Security qualifies as a note with predominant one-time interest payment. If the Program Security does not qualify as a note with predominant one-time interest payment, the Noteholder or Securityholder is subject to tax on the periodic interest payments and (at redemption) on the difference between initial issuance price and the redemption price. For the purpose of determining whether the Program Security is a note with predominant one-time interest payment the difference between initial issuance price and the redemption price is treated as one-time interest.

If the Program Security is considered as transparent for Swiss income tax purposes, it will be split notionally in a debt instrument and a derivative instrument component. Gains or losses on the derivative instrument component are treated as capital gains or losses (see below). Interest payments received during the investment, at lapse or exercise or at redemption as one-time interest related to the debt instrument component are treated as taxable income in the hands of the Noteholder or Securityholder. Such a treatment is also applicable for the purpose of determining whether the Program Security is a note with predominant one-time interest payment.

The Program Security is generally considered as transparent if the debt and the derivative components are traded separately or if the different elements of the Program Security (such as the guaranteed redemption amount, the issuance price of the debt component, the interest rates determining the issuance price of the debt component) are separately stated in the sales documentation as well as in the offering circular and if each one of such components is separately evaluated. Such evaluation has to be performed through calculations of financial mathematics determining the intrinsic value of the debt instrument and the derivative instrument components contained in the Program Security. In particular, the calculations have to determine the notional issuance price of the debt instrument, based on the interest rate taken into account by the issuer which has to be at market value. The Swiss Federal Tax Administration has to approve such calculations. Such calculations have to be reviewed on a quarterly basis in order take into account the evolution of the interest rates. If the tax authorities are not provided with sufficient information the Program Securities can be treated as not transparent. Products with prevalent structures but for which the issuer does not provide the information allowing to distinguish the different elements of a product as described above are made transparent in retrospect by the tax authorities, banks or other channels of distribution if the following requirements are fulfilled: (a) the issuer of the product must have at least a single-A-rating; and

(b) the product at hand has to be admitted to official quotation at the commercial exchange market or, at least, a market maker has to insure liquid trading of the product at hand. Liquid trading by a market maker is a condition that the key data of the product can be used as credible basis of calculation.

Program Securities which are linked to underlying assets, such as bonds, shares, or baskets of such assets may also be treated, under certain circumstances, as direct investments in bonds, shares or in an investment fund. Program Securities linked to a basket of investment funds may be treated as an investment in an investment fund.

Capital Gains

Swiss Resident Private Noteholders and Securityholders

Swiss resident Noteholders and Securityholders who do not qualify as so-called professional securities dealer for income tax purposes ("gewerbsmässiger Wertschriftenhändler") and who hold the Program Securities as part of their private (as opposed to business) assets are hereby defined as Swiss Resident Private Noteholders and Securityholders.

Swiss Resident Private Noteholders and Securityholders realise a tax free capital gain upon the disposal of Program Securities which are straight derivatives for tax purposes or do not qualify as notes with predominant one-time interest payment and realise a taxable income if the Program Securities qualify as notes with one-time predominant interest payment.

The tax treatment of capital gains on Program Securities which qualify as combined instruments (see above) depends on whether the Program Security qualifies as tax transparent or not. Program Securities which are not transparent for Swiss income tax purposes (see above) generally qualify as notes with predominant one-time interest payment and are treated as such. Program Securities which qualify as tax transparent are notionally split into a debt instrument and a derivative instrument component. The debt instrument component follows the usual tax treatment either as note with predominant one-time interest payment or as note with no predominant one-time interest payment as applicable. Capital gains arising from the derivative instrument component of transparent Program Securities are generally not subject to income tax in the hands of Swiss Resident Private Noteholders and Securityholders.

With respect to capital gains arising from Program Securities linked to underlying assets, such as investment funds, bonds, shares or baskets of any of them see above under "Dividend and Interest Payments or Redemption of Program Securities".

Swiss Resident Business Noteholders and Securityholders

Gains realised on the sale of Program Securities, by Swiss resident individual Noteholders and Securityholders holding the Program Securities as part of their business assets as well as by Swiss resident legal entity Noteholders and Securityholders, are part of their business profit subject to individual income tax or corporate income taxes, respectively. The same applies to Swiss Resident Private Noteholders and Securityholders who qualify as so-called professional securities dealer ("***gewerbsmässiger Wertschriftenhändler***").

Non-Swiss Resident Noteholders and Securityholders

Under present Swiss tax law, a Noteholder or Securityholder who is a non-resident of Switzerland and who, during the taxable year has not engaged in trade or business through a permanent establishment or a fixed place of business within Switzerland and who is not subject to taxation in Switzerland for any other reason, will not be subject to any Swiss federal, cantonal or municipal income tax on interest or gains realised on sale, lapse or exercise or redemption of the Program Securities.

Stamp Duties

Swiss Issuance Stamp Duty

The issuance of the Program Securities by a non-Swiss resident Issuer is not subject to Swiss issuance stamp duty.

Swiss Transfer Stamp Duty

Straight derivatives for tax purposes like options and futures do not qualify as taxable securities in the meaning of the Swiss Stamp Tax Act and are therefore not subject to Swiss transfer stamp duty.

The sale or transfer of the Program Securities may be subject to Swiss transfer stamp duty at the current rate of 0.3 per cent. if such sale or transfer is made by or through the intermediary of a Swiss bank or other securities dealer as defined in the Swiss Stamp Tax Act and no exemption applies. The same applies in case of physical delivery of the underlying being a taxable security in the meaning of the Swiss Stamp Tax Act at exercise or redemption.

Withholding Tax

All payments in respect of the Program Securities by a non-Swiss resident Issuer are currently not subject to Swiss withholding tax (*Verrechnungssteuer*). On 26 June 2019 and 27 September 2019, the Federal Council approved the objectives and key elements of a withholding tax reform introducing a paying agent system with regard to interest payments. According to the proposal interest payments to Swiss entities and foreign investors shall be exempt from withholding tax. For Swiss resident individuals, withholding tax shall be applied on interest from domestic as well as foreign investments if held through a Swiss paying agent. Under such a new paying agent-based regime, if enacted, a paying agent in Switzerland may be required to deduct Swiss withholding tax on any payments or any securing of payments of interest in respect of a Program Security for the benefit of the beneficial owner of the payment unless certain procedures are complied with to establish that the owner of the Program Security is not an individual resident in Switzerland.

If such Swiss legislation were enacted and an amount were to be deducted or withheld from a payment in respect of the Program Securities, neither the Issuer nor the Guarantor would be obliged to pay additional amounts with respect to any Program Securities as a result of the deduction or levying of such withholding tax.

Automatic Exchange of Information in Tax Matters

The Automatic Exchange of Information in Tax Matters ("AEI") is a global initiative led by the Organization of Economic Co-Operation and Development ("OECD"). It aims to establish a universal standard for automatic exchange of tax information and to increase tax transparency. Jurisdictions that are committed to implement or have implemented the AEI (such as Switzerland, the EU member countries and many other jurisdictions worldwide) require their Reporting Financial Institutions in accordance with the respective local implementing law to determine the tax residence(s) of their account holders and controlling persons (as applicable) and, in case of reportable accounts, report certain identification information, account information and financial information (including the account balance and related payments such as interest, dividends, other income and gross proceeds) to the local tax authority which will then exchange the information received with the tax authorities in the relevant reportable jurisdictions.

On 19 November 2014, Switzerland signed the Multilateral Competent Authority Agreement (the "MCAA"). The MCAA is based on article 6 of the OECD/Council of Europe administrative assistance convention and is intended to ensure the uniform implementation of the AEI. The Federal Act on the International Automatic Exchange of Information in Tax Matters (the "AEOI Act") and the Ordinance on the International Automatic Exchange of Information in Tax Matters (the "AEOI Ordinance") entered into force on 1 January 2017. The AEOI Act with the AEOI Ordinance is the legal basis for the implementation of the global AEI standard of OECD in Switzerland.

More specifically, Switzerland has concluded a multilateral AEI agreement with the EU (replacing the EU savings tax agreement) and has concluded bilateral AEI agreements with several non-EU countries. In accordance with such multilateral agreements and bilateral agreements and the implementing laws of Switzerland, Switzerland has begun exchange data so collected, and such data may include data about payments made in respect of the Notes.

On 27 February 2019, the Federal Council initiated the consultation on the revision of the AEOI Act and AEOI Ordinance. The consultation proposal takes account of recommendations of the Global Forum on Transparency and Exchange of Information for Tax Purposes. They concern, among other things, certain due diligence and registration obligations, the maintenance of a document retention obligation for reporting Swiss financial institutions, as well as definitions. Some exceptions have also been removed or adapted. The amendments to the law and ordinance are expected to enter into force on 1 January 2021.

PORTUGUESE TAXATION

The following is a general summary of current law and practice in Portugal as in effect on the date of this Offering Circular in relation to certain current relevant aspects to Portuguese taxation of the Program Securities and is subject to changes in such laws, including changes that could have a retroactive effect. The following summary is intended as a general guide only and is not exhaustive. It is not intended to be, nor should it be considered to be, legal or tax advice to any holder of Notes. It does not take into account or discuss the tax laws of any country other than Portugal and relates only to the position of persons who are absolute beneficial owners of the Program Securities. Prospective investors are advised to consult their own tax advisors as to the Portuguese or other tax consequences of the purchase, ownership and disposal of Program Securities.

The reference to "interest", "other investment income" and "capital gains" in the paragraphs below means "interest", "other investment income" and "capital gains" as understood in Portuguese tax law. The statements below do not take any account of any different definitions of "interest", "other investment income" or "capital gains" which may prevail under any other law or which may be created by the "Terms and Conditions" of the Program Securities or any related documentation.

Income generated by the holding (distributions) and disposal of Notes should be generally subject to the Portuguese tax regime for debt securities ("*obrigações*"). Income generated by the exercise and disposal of Warrants should be generally subject to the Portuguese tax regime for warrants ("*warrants autónomos*"). Income generated by the exercise and disposal of Certificates should be generally subject to the Portuguese tax regime for certificates ("*certificados que garantam ao titular o direito a receber um valor mínimo superior ao valor de subscrição" e "certificados que atribuam ao titular o direito a receber um valor de determinado activo subjacente*").

For the purposes of this summary we have assumed that Portuguese resident individuals earning income on the Program Securities do not earn such income as business or professional income.

Interest and other investment income obtained by Portuguese resident individuals on the Notes as well as the remuneration received on the exercise of Certificates that entitle the security holder to receive from the Issuers a predetermined amount higher than the subscription value is subject to personal income tax. If the payment of interest or other investment income on the Notes as well as the remuneration received on the exercise of Certificates that entitle the security holder to receive a predetermined amount higher than the subscription value is made available to Portuguese resident individuals through a Portuguese resident entity or a Portuguese branch of a non-resident entity, withholding tax applies currently at 28% which, if such income is not earned as business or professional income, is the final tax on that income unless the individual elects to include it in his taxable income, subject to tax at progressive rates of up to 48%. Where the election for aggregation is made, an additional income tax will be due on the part of the taxable income exceeding EUR 80,000 as follows: (i) 2.5% on the part of the taxable income exceeding EUR 80,000 up to EUR 250,000 and (ii) 5% on the remaining part (if any) of the taxable income exceeding EUR 250,000. In this case (aggregation of income), the tax withheld is deemed a payment on account of the final tax due. If the interest on the Notes or the remuneration received on the exercise of Certificates that entitle the security holder to receive from the Issuers a predetermined amount higher than the subscription value is not received through an entity located in Portugal the same is subject to an autonomous taxation currently of 28%, which is the final tax on that income unless the individual elects to include it in his/her taxable income, subjecting said income to tax at the progressive rates and to the additional taxes mentioned above.

Interest and other investment income paid or made available ("*colocado à disposição*") on the Notes as well as the remuneration on the exercise of Certificates that entitle the security holder to receive from the Issuers a predetermined amount higher than the subscription value, which are received by Portuguese resident individuals through entities that are a Portuguese resident entity or a Portuguese branch of a non-resident entity and which are due by non-resident entities without a permanent establishment in the Portuguese territory and that are domiciled in a country included in the “low tax jurisdictions” list (approved by the Ministerial Order no. 150/2004 of 13 February, as amended from time to time) are subject to a final withholding tax at a rate of 35%. If the interest on the Notes and the remuneration on those Certificates is not received through an entity located in Portugal, it is not subject to Portuguese withholding tax, but an autonomous taxation currently of 35% will apply, which is the final tax on that income.

Interest, other investment income and the remuneration on the exercise of Certificates that entitle the security holder to receive from the Issuers a predetermined amount higher than the subscription value paid

or made available ("*colocado à disposição*") to accounts in the name of one or more accountholders acting on behalf of undisclosed third parties is subject to a final withholding tax rate of 35%, unless the beneficial owner(s) of the income is disclosed, in which case the general rules will apply.

Gains obtained on the repayment and disposal of Notes, exercise or disposal of Warrants and transactions related to Certificates that entitle the security holder to receive the value of a certain underlying asset with the exception of the remuneration arising from Certificates that guarantee the holder the right to receive a minimum value in excess of the subscription value by an individual resident in Portugal for tax purposes, if such income is not earned as business or professional income, are subject to Portuguese capital gains taxation, whereby the positive difference between such gains and gains on other securities and losses in securities is subject to tax currently at 28%, which is the final tax on that income unless the individual elects to include it in his/her taxable income, subjecting said income to tax at progressive rates of up to 48%. Where the election for aggregation is made, an additional income tax will be due on the part of the taxable income exceeding EUR 80,000 as follows: (i) 2.5% on the part of the taxable income exceeding EUR 80,000 up to EUR 250,000 and (ii) 5% on the remaining part (if any) of the taxable income exceeding EUR 250,000.

Financial income and capital gains derived from the Program Securities by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal to which the income or gains are attributable are included in their taxable profits and are subject to corporate income tax at a rate of 21% or 17% if the taxpayer qualifies as a small or medium-sized company, as defined by law and subject to the *minimis rule* of the European Union, applicable to taxable profits up to € 25,000 (the excess thereof will be subject to the standard rate of 21%), to which may be added a municipal surcharge ("*derrama municipal*") of up to 1.5% (as set by municipal bodies) of its taxable profit. A state surcharge ("*derrama estadual*") rate currently of 3% will be due on the part of taxable profits between €1,500,000 up to €7,500,000, a rate of 5% on the part of the taxable profits between EUR 7,500,000 and EUR 35,000,000, being a 9% rate applicable to taxable profits in excess of EUR 35,000,000.

Gratuitous transfers of the Program Securities to Portuguese resident individuals would not be liable to Portuguese Stamp Tax, as they fall outside the territorial scope of such tax (i.e. no connection with the Portuguese territory exist as the debtor of the patrimonial or credit rights has its domicile, head office, place of effective management or permanent establishment outside the Portuguese territory). Gratuitous transfers of the Program Securities (i.e. acquisition of the Notes by means of gift or inheritance) in favor of a Portuguese resident corporate entity or non-Portuguese resident corporate entity with a Portuguese permanent establishment to which such transfer is attributable to shall qualify as patrimonial increases, which, although not subject to stamp tax, would be included in the taxpayer taxable income and subject to corporate income tax at a rate of 21% or 17% if the taxpayer qualifies as a small or medium-sized company, as defined by law and subject to the *minimis rule* of the European Union, applicable to taxable profits up to EUR 25,000 (the excess thereof will be subject to the standard rate of 21%) to which may be added a municipal surcharge ("*derrama municipal*") of up to 1.5% (as set by municipal bodies) of its taxable profit. A state surcharge ("*derrama estadual*") rate currently of 3% will be due on the part of taxable profits between EUR 1,500,000 up to EUR 7,500,000, a rate of 5% on the part of the taxable profits between EUR 7,500,000 and EUR 35,000,000, being a 9% rate applicable to taxable profits in excess of EUR 35,000,000.

There is neither wealth nor estate tax in Portugal within the context of Program Securities.

Payments made by the Issuer of interest, other investment income or principal on Program Securities issued by it (as long as it does not have a permanent establishment in Portugal) to an individual or legal person non-resident in Portugal for tax purposes without a Portuguese permanent establishment to which income may be attributable are not subject to Portuguese tax.

Capital gains realised on Program Securities by a holder who is neither resident nor engaged in business through a permanent establishment in Portugal to which that gain is attributable are not subject to Portuguese tax.

FRENCH TAXATION

The following is a general description of French tax law relating to the Program Securities. It does not purport to be an exhaustive description of French tax considerations relating to the Program Securities. Prospective investors are advised to consult their own professional advisors to obtain information about the tax consequences of transactions involving the Program Securities, including any purchase or disposal of, or other dealings in, the Program Securities. Only personal advisors are in a position to adequately take into account special tax aspects of the particular Program Securities in question as well as the investor's personal circumstances and any special tax treatment applicable to the investor. This summary is based on French law as in force as at the date of this Offering Circular. The laws and their interpretation by the tax authorities may change and such changes may have retroactive effect.

Notes are considered for the purpose of French tax treatment as bonds and other debt instruments. In this respect, incomes deriving from the Notes are generally treated as interest.

Warrants and Certificates are considered from a French tax perspective as forward financial instruments ("instruments financiers à terme") and accordingly subject to a specific tax regime.

Withholding tax

Payments of interest and principal by the Issuer (acting out of its non-French head offices or one of its non-French branches) under the Program Securities will not be subject to withholding tax in France, in accordance with the applicable French law.

1. **Individual resident holder of the Program Securities**

Taxation of interest and redemption premiums ("*Prime de remboursement*")

Notes redemption premiums should be in principle treated as interest from a French tax perspective.

Interest paid to an individual, acting in the context of managing their private affairs, having its tax residence in France is subject to income tax and social contributions following a two-step process.

Interest and other similar revenues received by French tax resident individuals are first subject to a non-discharging withholding tax ("*prélèvement non libératoire de l'impôt sur le revenu*" - PFNL) withheld at a flat-rate of 12.8%. The PFNL is considered to be an advance payment on the final tax liability. The PFNL must be withheld at source and reported by the Paying Agent if such agent is established in France. If the Paying Agent is established outside of France, the taxpayer is responsible for paying the social contributions and the income tax prepayment directly to the French tax authorities no later than the 15th day of the month following the payment of interest and other similar revenues. If the Paying Agent is established in an EU or EEA member state, it can however be appointed by the taxpayer to do so.

Upon final taxation, the income paid to a French tax resident individual is then in principle taxed at a flat rate of 30% (12.8% of income tax and 17.2% of social contributions – together referred to as the "*prélèvement forfaire unique*" or PFU) or, upon election of the taxpayer, under the ordinary progressive brackets of income tax (the election would apply on all investment income and capital gains) at a standard progressive rate of up to 45 per cent, the above mentioned advance tax of 12.8 per cent. being in both cases deductible from the personal income tax liability. If the French tax resident individual elects for the application of the ordinary progressive brackets, a 6.8% portion of the aforementioned social contributions should be deductible from the taxable income of the following tax year.

Should the amount of the PFNL exceed the final tax liability, the difference would be refunded to the French resident individual.

Additionally, if the French resident individual receives income subject to a withholding tax in the Issuer's jurisdiction, a French tax credit may be available under the applicable tax treaty.

In case of settlement, redemption or other forms or repayment by way of physical delivery of shares, the taxation of such income may, in certain circumstances, be deferred until the disposal of the received shares. French resident individuals should consult their advisors regarding these aspects.

Taxation of capital gains

The profits and losses recognized upon exercise or maturity by French resident holders of Warrants and Certificates acting in the context of managing their private affairs should in principle be treated as capital gains or losses.

Capital gains derived from the disposal of Program Securities or in relation with the exercise/maturity of Warrants and Certificates should in principle be subject to the PFU, at a global rate of 30% (12.8% of personal income tax and 17.2% of social contributions), or upon election of the taxpayer, under the ordinary progressive brackets of income tax (the election would apply on all investment income and capital gains) at a standard progressive rate of up to 45 per cent. If the French tax resident individual elects for the application of the ordinary progressive brackets, a 6.8% portion of the aforementioned social contributions should be deductible from the taxable income of the following tax year.

Capital losses can be offset against capital gains recognized during the same year and having the same nature, the excess being carried forward for a maximum of 10 years.

Exceptional contribution on high income ("*Contribution exceptionnelle sur les hauts revenus*")

An exceptional contribution on high income may be applicable to French tax resident holders of Program Securities where their "reference income" exceeds EUR 250,000 for a single person or EUR 500,000 for a couple taxed on a joint basis.

The "reference income" for the relevant fiscal year would include income and gains realised in relation to Program Securities.

This contribution is equal to 3 per cent of the fraction of the "reference income" above EUR 250,000 for a single person (or EUR 500,000 for a couple) and, 4 per cent on the "reference income" over EUR 500,000 for a single person (or EUR 1 million for a couple).

Gift and inheritance taxes

Subject to the provisions of the relevant bilateral tax treaty, French gift or inheritance taxes would be levied on the transfer of Program Securities by way of gift by, or on the death of French tax resident holders of the Program Securities, if:

- the holder of the Program Securities is a resident in France; or

- the beneficiary is resident in France at the time of the transfer and has been so resident for at least six years over the ten preceding years; or

- if both the holder of the Program Securities and the beneficiary are non-French residents, the transferred assets are located in France.

Assets considered as located in France would include receivables over a debtor which is established in France.

The amount of tax depends, in particular, on the relationships between the individuals concerned.

French Real Estate Wealth Tax

As from 1 January 2018, the French wealth tax (*impôt de solidarité sur la fortune*) is repealed and replaced by the French real estate wealth tax (*impôt sur la fortune immobilière*).

The Program Securities held by individuals in their personal portfolio would broadly only be included in the basis of assessment for French real estate wealth tax (*impôt sur la fortune immobilière*), as the case may be, in respect of the portion of the value of the Program Securities representing French real estate assets. As at 1 January 2020, French wealth tax is applicable at a maximum rate of 1.5 per cent. to individuals who own personal real estate assets where their net asset value exceeds € 1,300,000.

2. **Corporate resident holder of the Program Securities**

Corporate income tax and additional contributions

As a general rule, income received or capital gains recognized in relation to the Program Securities are subject to corporate income tax at the standard rate of 28 per cent. or 31 per cent. as the case may be depending on turnovers of companies (or to a reduced rate applicable to small and medium companies meeting certain requirements) for fiscal years opened on or after 1 January 2020.

The standard rate will be reduced to 26.5 per cent. or 27.5 per cent. as the case may be depending on turnovers of companies (or to a reduced rate applicable to small and medium companies meeting certain requirements) for fiscal years opened on or after 1 January 2021, and to 25 per cent. for all companies for fiscal years opened on or after 1 January 2022 (or to a reduced rate applicable to small and medium companies meeting certain requirements).

An additional contribution at a 3.3 per cent rate applies if the amount of corporate income tax due by the taxpaying company is higher than EUR 763,000.

Losses are generally treated as ordinary losses which may be set off against operational profits. The remaining losses may be carried forward indefinitely, but their use is limited, for a given year, to EUR 1 million plus 50 per cent of the taxable profit exceeding this amount. Besides, an option can be made by the holders of the Program Securities in order to carry back the losses against their prior taxable profit but limited to the lower amount between such taxable profit and EUR 1 million.

As regards Warrants and Certificates, the latent gains and losses existing at the closing date of a given financial year should in principle be taken into account for the determination of the taxable profits according to a mark-to-market taxation rule. The final taxation upon maturity or exercise will be adjusted accordingly.

Taxation of interest and redemption premiums

Interest payments are taxed at the above-mentioned standard corporate income tax rate (or the reduced rate applicable to small companies where the relevant conditions are met) on the basis of accrued interest.

Redemption premiums would also in principle be subject to the aforementioned tax treatment. However, if the estimated value of a redemption premium exceeds the purchase value by 10 per cent and the average issue price is less than 90 per cent of the estimated redemption value, such premium is spread taxed until the maturity on an annual basis.

In case of settlement, redemption or other forms or repayment by way of physical delivery of shares, the taxation of such income, may in certain circumstances be deferred until the disposal of the received shares. French corporate investors should consult their advisors regarding these aspects.

Non-resident holder of the Program Securities

Income and capital gains derived from the Program Securities, received by individuals who are not residents for tax purposes in France are generally not taxable in France.

Income and capital gains derived from the Program Securities, received or recognized by corporate investors who have neither their corporate seat nor their place of management in France, are generally not taxable in France, unless the Program Securities form part of the business assets of a French permanent establishment of the investors.

Financial Transaction Tax ("FTT")

The subscription or acquisition of Notes, Warrants and Certificates will not in itself trigger the application of the French FTT.

However, the French FTT may, in certain cases apply if the Program Securities are settled, redeemed or otherwise repaid by way of physical delivery of certain French listed shares, or certain securities treated as convertible bonds issued by such companies.

Pursuant to article 235 ter ZD of the French tax code ("**FTC**"), the FTT applies to any acquisition for consideration, resulting in a transfer of ownership, of an equity security within the meaning of Article L.212-1 A of the French monetary code, or of an assimilated equity security (such as convertible bonds in equity, convertible bonds redeemable in equity, shares subscription, etc.), within the meaning of Article L.211-41 of the French monetary code, admitted to trading on a recognised stock exchange when the said security is

issued by a company whose registered office is situated in France and whose market capitalisation exceeds €1 billion on 1st December of the year preceding the year in which the acquisition occurs.

The rate of the FTT is 0.3 per cent of the acquisition value of the securities. There are a number of exemptions from the FTT and investors shall revert to their counsel to identify whether they can benefit from them.

Transfer Tax

No transfer tax (stamp duties, or any similar taxes) is applicable in France in respect of the subscription or transfer of the Program Securities.

The settlement, redemption or other forms or repayment by way of physical delivery of outstanding shares in French companies should generally give rise to French transfer taxes pursuant to administrative guidelines (BOI-ENR-DMTOM-40-10-10-20120912, n°50), subject to certain exceptions or exemptions. In the case where article 235 ter ZD of the FTC is not applicable, transfers of shares issued by a French company which are listed on a regulated or organized market within the meaning of the French monetary code should also generally give rise to French transfer taxes if the transfer is evidenced by a written statement ("acte") executed either in France or outside France, subject to certain exceptions.

According to article 726 of the FTC, transfer tax generally applies at a rate of 0.1 per cent to the sale of shares issued by a company whose registered office is located in France.

Please note that, if the FTT applies to an acquisition of shares or convertible bonds, this transaction is exempt from transfer tax.

Automatic Exchange of Information rules

France has implemented a framework for the automatic exchange of Information based on the United States Foreign Account Tax Compliance Act ("**FATCA**") and the OECD Common Reporting Standard on automatic exchange of information (the "**CRS**").

FATCA and CRS rules, collectively referred to as the Automatic Exchange of Information legislation, have been implemented within article 1649 AC of the FTC and various subsequent decrees and ministerial orders.

Other forms of automatic exchange of information may exist under specific agreements, notably with certain overseas territories or collectivities.

FATCA

France has concluded an intergovernmental agreement with the United States on 14 November 2013, ratified on 29 September 2014. The French tax authorities issued official guidelines regarding the implementation of FATCA into French law (BOI-INT-AEA-10-20150805).

Based on the FATCA Legislation, broadly, France collects data in respect of certain reportable financial assets held by US Persons (as defined in the intergovernmental agreement) and exchanges such data with the United States Internal Revenue System. Conversely, France receives, to a lesser extent, such data from the United States Internal Revenue System regarding financial assets held by certain French residents.

CRS

France has implemented the CRS through a decree no. 2016-1683 dated 5 December 2016 transposing EU Directive 2014/107/UE into French law (the "**DAC 2**" Directive). The French tax authorities issued official guidelines on 14 June 2017 (as amended) on the implementation of CRS into French law (BOI-INT-AEA-20-20200226. Additionally, on 19 November 2014, France signed the Multilateral Competent Authority Agreement on the Automatic Exchange of Financial Account Information (the "**CRS MCAA**").

Based on the CRS legislation, broadly, France collects data in respect of certain reportable financial assets, including, as the case may be, Program Securities, held in, and income derived thereon and credited to, accounts or deposits held in France for the benefit of individuals resident in EU member states or CRS MCAA participating states. Conversely, France receives (or, in certain cases, is due to receive in the future)

such data in respect of French resident individuals and entities from other EU member states or CRS MCAA participating states.

PROPOSED FINANCIAL TRANSACTION TAX

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Program Securities (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Program Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Program Securities are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Each Issuer is offering the Program Securities on a continuing basis through Morgan Stanley & Co. International plc of 25 Cabot Square, Canary Wharf, London E14 4QA, which may act in whole or in part through an affiliate thereof, and Morgan Stanley & Co. LLC whose principal executive offices are at 1585 Broadway, New York, New York 10036, U.S.A., (the "**Distribution Agents**"), who have agreed to use reasonable efforts to solicit offers, directly or through an affiliate, to purchase the Program Securities. Each Issuer will have the sole right to accept offers to purchase Program Securities and may reject any offer in whole or in part. The Distribution Agents will have the right to reject any offer to purchase Program Securities solicited by it in whole or in part. Each Issuer may pay the Distribution Agents, in connection with sales of the Program Securities resulting from a solicitation the Distribution Agents made or an offer to purchase received by the Distribution Agents, a commission, which may be in the form of a discount from the purchase price if the Distribution Agents are purchasing the Program Securities for their own account.

Each Issuer may also sell Program Securities to a Distribution Agent as principal for its own account at a price to be agreed upon at the time of sale. The Distribution Agents may resell any Program Securities they purchase as principal at prevailing market prices, or at other prices, as the Distribution Agents determine.

The arrangements for the offer and sale of the Program Securities from time to time are set out in the Distribution Agreement dated on or about 26 June 2020 (as modified and/or amended and/or restated and/or replaced from time to time, the "**Distribution Agreement**") among Morgan Stanley, MSI plc, MSBV, MSFL and the Distribution Agents (and any Additional Issuer that accedes to the Program). Pursuant to the Distribution Agreement, Morgan Stanley, MSI plc, MSBV, MSFL and the Distribution Agents have agreed (and any Additional Issuer that accedes to the Program shall agree) to indemnify each other against certain liabilities, or to contribute payments made in respect thereof. Morgan Stanley, MSI plc and MSBV have also agreed (and any Additional Issuer that accedes to the Program shall agree) to reimburse the Distribution Agents for certain expenses. The Distribution Agreement makes provision for the appointment of additional Distribution Agents who may agree to become bound by its terms (either in relation to the Program generally or in relation to a particular Series of Program Securities) in an accession letter provided by such additional Distribution Agent to the Issuers.

In order to facilitate the offering of the Program Securities, the Distribution Agents may engage in transactions that stabilise, maintain or otherwise affect the price of the Program Securities or any other securities the prices of which may be used to determine payments on those Program Securities. Specifically, the Distribution Agents may over allot in connection with any offering of the Program Securities, creating a short position in the Program Securities for their own accounts. In addition, to cover overallotments or to stabilise the price of the Program Securities or of any other securities, the Distribution Agents may bid for, and purchase, Program Securities or any other securities in the open market. Finally, in any offering of the Program Securities through a syndicate of underwriters, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the Program Securities in the offering if the syndicate repurchases previously distributed Program Securities in transactions to cover syndicate short positions, in stabilisation transactions or otherwise. Any of these activities may stabilise or maintain the market price of the Program Securities above independent market levels. The Distribution Agents are not required to engage in these activities and may end any of these activities at any time.

United States of America

The Program Securities and any Guarantee in respect thereof, and the securities to be delivered on exercise or redemption of the Program Securities (if any), have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. None of the Issuers or the Guarantor are registered or will register under the Investment Company Act. Trading in the Program Securities has not been approved by the Commodity Futures Trading Commission pursuant to the Commodity Exchange Act. The Program Securities, any Guarantee in respect thereof and the securities to be delivered on exercise or settlement of the Program Securities (if any) may not be offered, sold, pledged, assigned, delivered or otherwise transferred, exercised or redeemed, at any time, 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). Each Distribution Agent (1) has acknowledged that the Program Securities, any Guarantee in respect thereof and the securities to be delivered on exercise or settlement of the Program Securities (if any), have not been and will not be registered under the Securities Act, or any securities laws of any state or other jurisdiction in the United States, and the Program Securities are not being offered, sold or delivered and may not be

offered, sold or delivered at any time, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons; (2) has represented, as a condition to acquiring any interest in the Program Securities, that neither it nor any persons on whose behalf or for whose account or benefit the Program Securities are being acquired is a U.S. Person, that it is not located in the United States, and was not solicited to purchase Program Securities while present in the United States; (3) has agreed not to offer, sell or deliver any of the Program Securities, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person and that 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; (4) has agreed that any hedging transactions involving "equity securities" of "domestic issuers" (as such terms are defined in the Securities Act and regulations thereunder) will only be conducted in accordance with the Securities Act and (5) has agreed that, at or prior to confirmation of sale of any Program Securities (whether upon original issuance or in any secondary transaction), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Program Securities from it a written notice containing language substantially the same as the foregoing. As used herein, "**United States**" means the United States of America (including the states and the District of Columbia), its territories and possessions.

In addition, the Distribution Agents have represented and agreed that they have not offered or sold Program Securities and any Guarantee in respect thereof and will not offer or sell Program Securities and any Guarantee in respect thereof *at any time* except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, the Distribution Agents have represented and agreed that neither they, their affiliates (if any) nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to Program Securities and any Guarantee in respect thereof, and it and they have complied and will comply with the offering restrictions requirements of Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

An offer or sale of Program Securities within the United States by any dealer (whether or not participating in the offering of such Program Securities) may violate the registration requirements of the Securities Act.

Each issuance of Index Basket Notes, Single Index Notes, Index Basket Securities and Single Index Securities may be subject to such additional U.S. selling restrictions as the Issuers and the relevant Distribution Agent may agree as to the terms of such issuance, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

European Economic Area

If the Pricing Supplement in respect of the Program Securities specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area and the United Kingdom (each, a "**Relevant State**"), each Distribution Agent has represented and agreed, and each further Distribution Agent appointed under the Program will be required to represent and agree, in relation to each Tranche of Program Securities, that it has not made and will not make an offer of Program Securities which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Program Securities 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), 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 Article 1(4) of the Prospectus Regulation,

provided that no such offer of Program Securities referred to in (a) to (c) above shall require the relevant Issuer or any Distribution Agent 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 Program Securities to the public**" in relation to any Program Securities 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 Program Securities 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 and UK Retail Investors

Unless the Pricing Supplement in respect of any Program Securities specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Distribution Agent has represented and agreed, and each further Distribution Agent appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Program Securities which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economics Area or 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:

(1) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(2) a customer within the meaning of the Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(3) not a qualified investor as defined in the Prospectus Regulation; 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 Program Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Program Securities.

United Kingdom

In relation to each Tranche of Program Securities, each Distribution Agent has represented and agreed, subscribing for or purchasing such Program Securities, and each further Distribution Agent appointed under the Program will be required to represent and agree with the Issuers and, if the Program Securities are issued by MSBV or MSFL, the Guarantor that:

(a) *Program Securities with maturities of less than one year*: in relation to any Program Securities which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Program Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Program Securities would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer or the Guarantor;

(b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Program Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor, if applicable;

(c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Program Securities in, from or otherwise involving the United Kingdom; and

(d) Commissions and fees:

(i) if it is distributing Program Securities that are "retail investment products" (as such term is defined in the Financial Conduct Authority Handbook) into the United Kingdom and it is entitled to receive any commission or fee from the Issuer, it will not transfer any part

of that commission or fee to any third party who may advise retail investors to purchase a Program Security that is a retail investment product; and

(ii) if it is authorised and regulated by the Financial Conduct Authority to provide investment advice to retail investors in the United Kingdom and it is providing a "personal recommendation" (as such term is defined in the FCA Handbook) to retail investors in respect of a Program Security that is a retail investment product, it undertakes not to request any commission, remuneration or benefit from the Issuer and to otherwise reject any such payment offered to it unless paid in accordance with the advisor charging and remuneration rules set out in the FCA Handbook.

Australia

This Offering Circular has not and no prospectus or other disclosure document (as defined in the *Corporations Act 2001* (Cth) (the "**Corporations Act**")) in relation to the Program or the Program Securities has been or will be or is required to be lodged with the Australian Securities and Investments Commission ("**ASIC**") or the ASX Limited ("**ASX**") and no recommendation to acquire, no invitation to apply for, no offer to apply for or buy, no offer to arrange the issue or sale of, nor any offer for issue or sale of, any Program Securities in Australia, will be made, except as set out below.

Each Distribution Agent has represented and agreed (and each further Distribution Agent appointed under the Program will be required to represent and agree) that, and unless the applicable Pricing Supplement or supplement to this Offering Circular otherwise provides, it:

(a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Program Securities in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, this Offering Circular or any other offering material or advertisement relating to the Program Securities in Australia,

unless:

(i) the aggregate consideration payable by each offeree is at least A$500,000 (or its foreign currency equivalent, in either case disregarding amounts, if any, lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;

(ii) the offer or invitation does not constitute an offer to a "retail client" as defined for the purposes of section 761G and section 761GA of the Corporations Act;

(iii) such action complied with all applicable laws, regulations and directives in Australia; and

(iv) such action does not require any document to be lodged with ASIC or the ASX.

In addition, each Distribution Agent has agreed, and each further Distribution Agent appointed under the Program will be required to agree, that it will comply with the Banking exemption No. 1 of 2018 dated 21 March 2018 which requires all offers and transfers of Debt Instruments to be in parcels of not less than A$500,000 in aggregate principal amount. Banking exemption No. 1 does not apply to offers for sale and transfers which occur outside Australia.

Belgium – Prohibition of sales to consumers

The Program Securities are not intended to be offered, sold or otherwise made available and will not be offered, sold or otherwise made available to "consumers" (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek economisch recht/Code de droit économique*).

Each Distribution Agent has represented and agreed, and each further Distribution Agent appointed under the Program will be required to represent and agree, that it has not offered or sold or otherwise made available and it that will not offer or sell or otherwise make available the Program Securities to consumers (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*).

Finland

This Offering Circular does not constitute a prospectus under the Prospectus Regulation (2017/1129/EU) or the Finnish Securities Market Act (746/2012), as applicable, and shall not be construed as an offer to the public in Finland. The Program Securities cannot be offered or sold in Finland to any persons other than "qualified investors" as defined by the Prospectus Regulation or the Finnish Securities Market Act. No action has been taken to authorise an offering of the Program Securities to the public in Finland and the distribution of this Offering Circular is not authorised by the Finnish Financial Supervisory Authority. This Offering Circular is strictly for private use by its holder and may not be passed on to third parties or otherwise publicly distributed. Subscriptions will not be accepted from any persons other than qualified investors. This Offering Circular may not include all the information that is required to be included in a Prospectus in connection with an offering to the public.

The Distribution Agents have confirmed and agreed and each further Distribution Agent appointed by the Issuers under the Program will be required to confirm and agree that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Program Securities or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a Prospectus pursuant to the provisions of the Prospectus Regulation or the Finnish Securities Market Act, as applicable.

Hong Kong

In relation to each Tranche of Program Securities issued by each of the Issuers, each Distribution Agent has represented and agreed (and each further Distribution Agent appointed under the Program will be required to represent and agree) that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Program Securities except for Program Securities which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; 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 Program Securities, 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 Program Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Program Securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "**FIEL**") and, accordingly, each Distribution Agent has undertaken, and each further Distribution Agent appointed under the Program will be required to undertake, that it will not offer or sell any Program Securities directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person except pursuant to an exemption from the registration requirements under, and otherwise in compliance with the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Ireland

In relation to each Tranche of Program Securities, each Distribution Agent subscribing for or purchasing such Program Securities has represented to, warranted and agreed with, or will represent to, warrant and agree with the Issuer and the Guarantor that:

(a) it will not underwrite the issue of, or place, the Program Securities, otherwise in conformity with the Companies Act 2014 of Ireland;

(b) it will not underwrite the issue of, or place the Program Securities, otherwise than in conformity than with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) (the "**MiFID II Regulations**") including, without limitation, Regulation 5 (Requirement for Authorisation (and certain provisions concerning MTFS and OTFS)) thereof, or any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed of approved by the Central Bank of Ireland;

(c) Regulation (EU) No 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse, the European Union (Market Abuse) Regulations 2016 and any Central Bank rules issued and / or in force pursuant to section 1370 of the Companies Act 2014;

(d) it will not underwrite the issue of, or place, the Program Securities, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 – 2019 and any codes of conduct rules made under section 117(1) of the Central Bank Act 1989 or section 48 of the Central Bank (Supervision and Enforcement) Act 2013;

(e) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Program Securities otherwise than in conformity with the provisions of Regulation (EU) 2017/1129 (the EU Prospectus Regulation), the European Union (Prospectus) Regulations 2019 (as amended or replaced from time to time) and any rules issued and/or in force pursuant to section 1363 of the Companies Act 2014 of Ireland by the Central Bank of Ireland;

(f) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Program Securities, otherwise than in conformity with the provisions of EU Regulation No 596/2014 and any rules issued and/or in force pursuant to section 1370 of the Companies Act 2014 of Ireland by the Central Bank of Ireland; and

(g) any issue of the Program Securities with a legal maturity of less than one year will be carried out in strict compliance with the Central Bank of Ireland's implementation notice for credit institutions BSD C 01/02 of 12 November 2002 (as may be amended, replaced or up-dated) and issued pursuant to section 8(2) of the Irish Central Bank Act, 1971 (as amended).

Israel

The Program Securities are only being offered in the state of Israel based on an exemption under the Israeli Securities Law, 1968 ("**Israeli Securities Law**"). The Program Securities are being offered only to investors listed in the First Schedule of the Securities Law ("**Israeli Sophisticated Investors**"), who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israeli Securities Authority. Accordingly, the offering of the Program Securities does not constitute an offer made to the public in Israel within the meaning given to it in the Israeli Securities Law.

The Program Securities have not been registered and a prospectus was not issued under the Israeli Securities Law. Neither the Program Securities nor this Offering Circular nor any advertising material about the Program Securities has been approved by any Israeli authority. No action has been or will be taken in the State of Israel that would permit a public offering of the Securities or distribution of this Offering Circular or any offering material in connection with the Program Securities to the public in Israel. This Offering Circular and any advertising material about the Program Securities are not intended to serve, and should not be treated as Investment Advice as defined under the Investment Advice Law. Accordingly, the content of this Offering Circular does not replace and should not serve as substitution for Investment Advice services that take into account the special characteristics and needs of each investor. The Issuers do not hold a licence under the Investment Advice Law, nor do they carry the insurance as required of a licensee thereunder.

This Offering Circular may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any investor who purchases the Program Securities is purchasing such securities for its own benefit and account and not with the aim or intention of distributing

or offering such Program Securities to other parties (other than, in the case of an offeree which is an Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the First Schedule of the Securities Law, where such offeree is purchasing Program Securities for another party which is a Sophisticated Investor).

It is the responsibility of any person wishing to invest in the Program Securities to satisfy himself as to the full observance of the laws of the state of Israel in connection with any such investment, including obtaining any governmental or other consent, if required. In making an investment decision with regard to the Program Securities, investors must only rely on their own examination of the Program Securities, including the merits and risks involved, and should seek advice from appropriate advisors with respect to the legal, accounting, tax and financial ramifications of purchasing the Program Securities.

Any Israeli Investor, which is not a Sophisticated Investor, must immediately return this document to the Issuers.

Spain

The Program Securities may not be listed, offered, sold or distributed in Spain nor any document or offer material be distributed in Spain or targeted at Spanish resident investors, except in accordance with the requirements set out in the Prospectus Regulation and any other related regulations that may be in force from time to time in Spain, including, among others, Royal Legislative Decree 4/2015 of 23 October of the Securities Markets (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) as amended and restated and Royal Decree 1310/2005 of 4 November on admission to trading of securities in official secondary markets, public offerings and prospectus (*Real Decreto 1310/2005 de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, de Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) as amended and/or superseded.

Republic of Italy

The offering of the Program Securities has not been registered pursuant to Italian securities legislation and, accordingly, each Distribution Agent has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Program Securities in the Republic of Italy in an offer to the public and that sales of the Program Securities in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Distribution Agents has represented and agreed that it will not offer, sell or deliver any Program Securities or distribute copies of this Offering Circular and any other document relating to the Program Securities in the Republic of Italy except:

(a) to "qualified investors", as defined in Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Decree No. 58**") and/or Italian CONSOB Regulation.

(b) that it may offer, sell or deliver Program Securities or distribute copies of any prospectus relating to such Program Securities in an offer to the public in the period commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with Prospectus Regulation and any applicable provision under Decree No. 58 and Italian Consob Regulation, and ending on the date which is 12 months after the date of approval of such prospectus; and

(c) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Prospectus Regulation, Regulation No. 11971 of 14 May 1999, as amended from time to time (the "**Regulation No. 11971**"), and the applicable Italian laws.

Any such offer, sale or delivery of the Program Securities or distribution of copies of the Offering Circular or any other document relating to the Program Securities in the Republic of Italy must be:

(i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1

September 1993 as amended, Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations; and

(ii) in compliance with any other applicable requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Provisions relating to the secondary market in Italy

Investors should also note that, in any subsequent distribution of the Program Securities in the Republic of Italy, Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Program Securities are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Program Securities who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Program Securities were purchased, unless an exemption provided for under Decree No. 58 applies.

The Netherlands

Zero Coupon Notes

Each Distribution Agent has represented and agreed and each further Distribution Agent appointed under the Program will be required to represent and agree that Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuers or a member of Euronext Dublin in full compliance with the Dutch Savings Certificates Act (*Wet inzake Spaarbewijzen*) of 21 May 1985 (as amended). No such mediation is required in respect of (a) the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (b) the transfer and acceptance of Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in the Zero Coupon Note in global form) of any particular Series or Tranche are issued outside The Netherlands and are not distributed into The Netherlands in the course of their initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with and, in addition thereto, if such Zero Coupon Notes in definitive form do not qualify as commercial paper traded between professional borrowers and lenders within the meaning of the agreement of 2 February 1987, attached to the Royal Decree of 11 March 1987, (*Staatscourant 129*) (as amended), each transfer and acceptance should be recorded in a transaction Note, including the name and address of each party to the transaction, the nature of the transaction and the details and serial numbers of such Program Securities.

For the purposes of this paragraph "**Zero Coupon Notes**" means Program Securities that are in bearer form and that constitute a claim for a fixed sum against an Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Norway

In addition to the provisions of the selling restriction for European Economic Area Member States (including Norway) and subject to the section "Prohibition of sales to EEA and UK Retail Investors" above, each Distribution Agent represents and agrees that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell Program Securities or distribute any draft or definitive document in relation to any such offer, invitation or sale in Norway or to Norwegian residents except in compliance with Norwegian laws and regulations, including but not limited to section 16-2 of the Norwegian Financial Institutions Regulations (Norwegian: *finansforetaksforskriften*) of 9 December 2016 no. 1502, as amended, regarding sale of structured products.

Sweden

Each Distribution Agent has represented and agreed, and each further Distribution Agent appointed under the Program will be required to represent and agree, that no offer will be made to the public in Sweden unless it is in compliance with the Prospectus Regulation (EU) 2017/1129 and the Swedish Act with supplementary provisions to the EU Prospectus Regulation (Sw. lag (2019:414) *med kompletterande bestämmelser till EUs prospektförordning*), as amended and/or replaced.

Switzerland

The Program Securities shall not be publicly offered, sold, advertised, distributed or redistributed, directly or indirectly, in or from Switzerland, and neither this Offering Circular as completed by the pricing supplement nor any other solicitation for investments in the Program Securities may be communicated, distributed or otherwise made available in Switzerland in any way that could constitute a public offering as such term is defined in the Financial Services Act (the "**FinSA**") or of Article 3 of the Swiss Federal Act on Collective Investment Schemes (the "**CISA**") unless the legal and regulatory conditions imposed on a public offering under the FinSA or CISA are satisfied. The Issuers may apply for a listing of the Program Securities on the SIX Swiss Exchange or any other regulated securities market in Switzerland, and therefore, the information contained in this Offering Circular as completed by the pricing supplement does comply with the information standards set out in the listing rules of the SIX Swiss Exchange.

The Program Securities do not constitute collective investments within the meaning of the CISA. Accordingly, holders of the Program Securities do not benefit from protection under the CISA. Therefore, investors are exposed to the default risk of the relevant Issuer and/or the Guarantor.

In accordance with article 109(2) of the Swiss Financial Services Ordinance, the Issuer is preparing this Offering Circular in compliance with the the listing rules and regulations of SIX Swiss Exchange that were in force immediately prior to 2 January 2020. Consequently, this Offering Circular will not be reviewed or approved by a Swiss review body pursuant to article 52 of the FinSA, and will not comply with the disclosure requirements.

Singapore

Each Distribution Agent has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Program Securities may not be circulated or distributed, nor may the Program Securities 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 (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") under Section 274, as the case may be, Section 276(2);

(ii) to an accredited investor (as defined in Section 4A of the SFA) in accordance with the conditions specified in Section 275 of the SFA or, as the case may be, Section 276(2);

(iii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), or, as the case may be, Section 276(2) and in accordance with the conditions specified in Section 275 of the SFA where each such person is (1) an expert investor (as defined in Section 4A of the SFA) or (2) not an individual.

Where the Program Securities 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) 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 Program Securities 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)(i)(B) 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.

Taiwan

The Program Securities have not been, and will not be, registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan, the Republic of China ("**Taiwan**") and/or other regulatory authority of Taiwan pursuant to applicable securities laws and regulations and may not be sold, offered or otherwise make available any Securities within the Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Taiwan Securities and Exchange Act or relevant laws and regulations that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of the Taiwan.

Brazil

The Program Securities have not been and will not be issued nor placed, distributed, offered or negotiated in the Brazilian capital markets and, as a result, have not been and will not be registered with the Brazilian Securities Commission (the *Comissão de Valores Mobiliários* or "**CVM**"). Any public offering or distribution, as defined under Brazilian laws and regulations, of the Program Securities in Brazil is not legal without prior registration under Law No. 6,385 of December 7, 1976 ("**Law No. 6,385**"), as amended, and Instruction No. 400, issued by the CVM on December 29, 2003 ("**CVM Instruction No. 400**"), as amended, or an exemption from registration under Instruction No. 476, issued by the CVM on January 16, 2009, as amended. Documents relating to the offering of the Program Securities, as well as information contained therein, may not be supplied to the public in Brazil (as the offering of the Program Securities is not a public offering of securities in Brazil), nor be used in connection with any offer for subscription or sale of the Program Securities to the public in Brazil. Therefore, each of the Distribution Agents has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, the Program Securities in Brazil, except in circumstances which do not constitute a public offering, placement, distribution or negotiation of securities in the Brazilian capital markets regulated by Brazilian legislation.

United Mexican States ("Mexico")

The Program Securities have not been and will not be registered with the Mexican National Securities Registry (*Registro Nacional de Valores*) maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria de Valores* or "**CNBV**"), and therefore, may not be publicly offered, sold nor be the subject of brokerage activities in Mexico. The Program Securities may only be offered and sold in Mexico pursuant to the exemptions set forth in the Mexican Securities Market Law (*Ley del Mercado de Valores*). This Offering Circular is the responsibility of the Issuers, has not been reviewed or authorized by the CNBV, and may not be publicly distributed in Mexico. The acquisition of the Program Securities by an investor who is a resident of Mexico will be made under such investor's own responsibility.

Chile

The Program Securities are not, and will not be, registered in Chile in the Securities Registrar (Registro de Valores) of the Financial Market Commission (Comisión para el Mercado Financiero), pursuant Law N° 18,045 about Securities Market (Ley No. 18,045 de Mercado de Valores). Therefore, the Program Securities cannot be publicly offered or sold in Chile. The offering materials are responsibility of the Issuer and may not be publicly distributed in Chile.

Jersey

Each Distribution Agent has severally represented to, and agreed that:

(a) it has not offered or sold and will not offer or sell any Program Securities in any jurisdiction in a manner that would cause any Issuer to be in breach of any consents granted to it by the Jersey Financial Services Commission (the "**Commission**");

(b) no prospectus, explanatory memorandum, offer document or other invitation offering the Program Securities for subscription, sale or exchange at any time has been or will be issued by it on behalf of any Issuer to any person other than a financial institution, dealer, market maker, commercial paper issuer, conduit vehicle or sophisticated investor (as defined in any Condition (A) waiver issued to any Issuer by the Commission pursuant to the Control of Borrowing (Jersey) Order 1958, as amended); and

(c) it has not and will not without the consent of the Commission circulate in Jersey any offer for subscription, sale or exchange of any securities of a non-Jersey issuer (including, without limitation, Morgan Stanley, MSI plc, MSBV and MSFL) unless such offer is circulated in Jersey by a person or persons authorised to conduct investment business under the Financial Services (Jersey) Law 1998, as amended and (a) such offer does not for the purposes of Article 8 of the Control of Borrowing (Jersey) Order 1958, as amended, constitute an offer to the public, or (b) an identical offer is for the time being circulated in the United Kingdom without contravening the FSMA and is, *mutatis mutandis*, circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom.

Kingdom of Bahrain

NOTICE TO BAHRAIN RESIDENTS

This Offering Circular does not constitute an offer of securities in Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Offering Circular and related documents have not been and will not be registered as a prospectus with the Central Bank of Bahrain (the CBB). Accordingly, no Program Securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Offering Circular or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase the Program Securities, whether directly or indirectly, to persons in Bahrain, other than as marketing to accredited investors (as such term is defined by the CBB) for an offer outside Bahrain.

A copy of this Offering Circular has been filed with the CBB. The CBB has not reviewed, approved or registered this Offering Circular or any related offering documents and it has not in any way considered the merits of the Program Securities to be offered for investment, whether in or outside Bahrain. Neither the CBB nor any licensed exchange assumes any responsibility for the accuracy and completeness of the statements and information contained in this Offering Circular and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Offering Circular. No offer of Program Securities will be made to the public in Bahrain and this Offering Circular must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

Each potential investor resident in Bahrain intending to subscribe for Program Securities (each, a "potential investor") may be required to provide satisfactory evidence of identity and, if so required, the source of funds to purchase Program Securities within a reasonable time period determined by the Issuer and the relevant Distribution Agent(s). Pending the provision of such evidence, an application to subscribe for Program Securities will be postponed. If a potential investor fails to provide satisfactory evidence within the time specified, or if a potential investor provides evidence but none of the Issuer or the relevant Distribution Agent(s) are satisfied therewith, its application to subscribe for Program Securities may be rejected in which event any money received by way of application will be returned to the potential investor (without any additional amount added thereto and at the risk and expense of such potential investor). In respect of any potential investors, the Issuer will comply with Bahrain's Legislative Decree No. (4) of 2001 with respect to Prohibition and Combating of Money Laundering and various Ministerial Orders issued thereunder including, but not limited to, Ministerial Order No. (7) of 2001 with respect to Institutions' Obligations Concerning the Prohibition and Combating of Money Laundering and the Anti-Money Laundering and Combating of Financial Crime Module contained in the Central Bank of Bahrain Rulebook, Volume 6.

Kingdom of Bahrain

Each Distribution Agent has represented and agreed, and each further Distribution Agent appointed under the Program will be required to represent and agree, that it has not offered or sold, and will not offer or sell

any Program Securities except on a private placement basis to persons in Bahrain who are "accredited investors". For this purpose, an accredited investor means:

(a) an individual holding financial assets (either singly or jointly with a spouse) of 1,000,000 U.S. Dollars or more excluding that person's principal place of residence;

(b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than 1,000,000 U.S. Dollars; or

(c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Portugal

Each Distribution Agent has represented and agreed, and each Additional Distribution Agent appointed under the Program will be required to represent and agree, that the Program Securities may not be and will not be offered to the public in Portugal under circumstances which are deemed to be a public offer under the Portuguese Securities Code (*Código dos Valores Mobiliários*) enacted by Decree Law no. 486/99 of 13 November, 1999, as amended, unless the requirements and provisions applicable to the public offerings in Portugal are met and registration, filing, approval or recognition procedure with the Portuguese Securities Market Commission ("*Comissão do Mercado de Valores Mobiliários*", "**CMVM**") is made. In addition, each Distribution Agent has represented and agreed, and each Additional Distribution Agent appointed under the Program will be required to represent and agree that (i) it has not directly or indirectly taken any action or offered, advertised, marketed, invited to subscribe, gathered investment intentions, sold or delivered and will not directly or indirectly take any action, offer, advertise, invite to subscribe, gather investment intentions, sell, re-sell, re-offer or deliver any Program Securities in circumstances which could qualify as a public offer ("*oferta pública*") of securities pursuant to the Portuguese Securities Code; and (ii) it has not distributed, made available or caused to be distributed and will not distribute, make available or cause to be distributed, the Offering Circular or any other offering material relating to the Program Securities to the public in Portugal, other than in compliance with all applicable provisions of the Portuguese Securities Code, the Prospectus Regulation implementing the Prospectus Directive, and any applicable CMVM Regulations and all relevant Portuguese securities laws and regulations, in any such case that may be applicable to it in respect of any offer or sale of Program Securities by it in Portugal including in compliance with the rules and regulations that require the publication of a prospectus, when applicable, and that such placement shall only be authorised and performed to the extent that there is full compliance with such laws and regulations.

France

This Offering Circular has not been approved by the *Autorité des marchés financiers*.

Each of the Distribution Agents has represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, any Program Securities in France to, and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France, this Offering Circular, the applicable Pricing Supplement or any other offering or marketing material relating to the Program Securities to, qualified investors (*investisseurs qualifiés*) as defined in Article 2(e) of Regulation (EU) 2017/1129.

United Arab Emirates

United Arab Emirates (excluding the Dubai International Finance Centre and the Abu Dhabi Global Market) residents only

Each Distribution Agent has represented and agreed, and each further Distribution Agent appointed under the Program will be required to acknowledge and agree that:

(a) the Program Securities to be issued under the Program have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates (including the Dubai International Financial Centre and the Abu Dhabi Global Market) other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities;

(b) the information contained in this Offering Circular does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law (Federal Law No. 2 of 2015), Securities and Commodities Authority Board of Directors Decision No. 9/R.M of 2016 concerning Mutual Funds Regulations, Securities and Commodities Authority Chairman Decision No. 3/R.M of 2017 concerning the Promoting and Introducing Regulations, or otherwise and is not intended to be a public offer and the information contained in this Offering Circular is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the United Arab Emirates;

(c) the Program Securities to be issued under the Program and this Offering Circular have not been and will not be filed, reviewed or approved by the United Arab Emirates Central Bank, the Securities and Commodities Authority (the "**SCA**"), the Dubai Financial Services Authority, the Financial Services Regulatory Authority or any other governmental regulatory body or securities exchange (the "**Authorities**"); and

(d) the Program Securities will only be promoted and marketed on a cross-border basis in to the territory of the United Arab Emirates to a limited number of "non-natural Qualified Investors" incompliance with the Securities and Commodities Authority Chairman Decision No. 3/R.M of 2017 concerning the Promoting and Introducing Regulations which includes a legal person that is able to manage its investments by itself, unless that investor desires to be a normal investor, namely (a) federal and local governments and governmental entities, institutions and authorities or companies wholly-owned by any of them; (b) foreign governments and their entities, institutions and authorities or companies wholly-owned by any of them; (c) international bodies and organisations; (d) entities licensed by the SCA or by a similar regulatory authority; or (e) a legal person who fulfils on the date of its last financial statements at least two of the following requirements: (i) total assets of United Arab Emirates Dirham ("**AED**") 75 million; (ii) net annual revenues of AED 150 million; (iii) net equities or paid capital of AED 7 million (each a "**non-natural Qualified Investor**"). The Authorities assume no liability for any investment that the named addressee makes as a non-natural Qualified Investor.

The information in this Offering Circular may also be provided to investors (and addressed solely to such investor) at their unsolicited and specific request and an investor may directly approach the Issuer, the relevant Distribution Agent in relation to the purchase of the Program Securities.

Dubai International Financial Centre

Each Distribution Agent has represented and agreed, and each further Distribution Agent appointed under the Program will be required to represent and agree, that it has not offered and will not offer the Program Securities to be issued under the Program to any person in the Dubai International Financial Centre unless such offer is an "Exempt Offer" in accordance with the Markets Rules of the Dubai Financial Services Authority (the "**DFSA**") Rulebook. This Offering Circular is intended for distribution only to Professional Clients who are not natural persons. It must not be delivered to, or relied on by, any other person.

This Offering Circular relates to Program Securities which are not subject to any form of regulation or approval by the DFSA. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Offering Circular or any associated documents nor taken steps to verify the information set out in it, and has no responsibility for it.

The Program Securities to which this Offering Circular relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of any Program Securities offered should conduct their own due diligence on the Program Securities.

If you do not understand the contents of this Offering Circular you should consult an authorised financial advisor.

Austria

In addition to the representations set out in section "European Economic Area" and "Prohibition of sales to EEA and UK Retail Investors" above, each Distribution Agent has represented and agreed, and each further Distribution Agent appointed under the Program will be required to represent and agree, that it will only

offer, sell or otherwise make available any Program Securities which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto in the Republic of Austria in compliance with all laws, regulations and guidelines applicable in or promulgated by the relevant Austrian governmental and regulatory authorities and in effect at the relevant time, including the Austrian Securities Supervision Act 2018 (Wertpapieraufsichtsgesetz 2018), the Austrian Capital Market Act (Kapitalmarktgesetz) as well as the Austrian Alternative Investment Fund Managers Act 2011 (Alternative Investmentfonds Manager-Gesetz 2011) as amended and supplemented from time to time.

People's Republic of China

The Program Securities may not be offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly, in the PRC or to any resident of the PRC, in contravention of any applicable laws.

Any offering, sale or delivery or offering or sale or delivery to any person for reoffering or resale or redelivery, in any such case directly or indirectly, shall only be to owners and the beneficial owners who each satisfies the following requirements:

(a) in the case of an individual, it is not a PRC Resident; or

(b) in the case of an entity (unless the Notes are to be purchased or held pursuant to any program approved by, or with the approval of or registration with, any competent PRC regulator), it is not incorporated or registered under the laws of the PRC;

(c) it used funds lawfully owned by it and located outside of the PRC to purchase the Note unless it purchased and held the Note pursuant to any program approved by, or approval of or registration with, any competent PRC regulator; and

(d) the purchase and holding of the Note by each of the owner and the beneficial owner of each Note did not, and does not, violate the laws and regulations of the PRC, including those in relation to foreign exchange control and reporting.

"**PRC Resident**" means a person who is a citizen of the PRC and (i) does not have permanent right of abode in a jurisdiction outside of the PRC; or (ii) has not resided outside the PRC for more than one year.

NO OWNERSHIP BY U.S. PERSONS

The Program Securities may not be legally or beneficially owned by U.S. Persons at any time. The term "**U.S. Person**" will have the meaning ascribed to it in Regulation S under the Securities Act.

Each purchaser of Securities, by accepting delivery of this Offering Circular or the Program Securities, will be deemed to have represented, agreed and acknowledged that:

(a) it is, or at the time such Securities are purchased will be, the beneficial owner of such Securities and it is not, and is not acting for the account or benefit of, a U.S. Person and it is located outside the United States and was not solicited to purchase the such Program Securities while present in the United States;

(b) such Securities, any Guarantee with respect thereto and the securities to be delivered upon exercise or settlement of the Program Securities (if any) have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred, exercised or redeemed except to a person that is not a U.S. Person (within the meaning of Regulation S) in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with all applicable securities laws of any state of the United States and any other applicable jurisdiction and it will provide notice of the foregoing transfer restriction to any subsequent transferee;

(c) such Securities will bear a legend substantially to the following effect:

"THIS [SECURITY][NOTE] HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY SECURITIES LAWS OF ANY STATE IN THE UNITED STATES; AND IS SUBJECT TO U.S. TAX LAW REQUIREMENTS. THIS [SECURITY][NOTE] MAY NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT)." and

(d) the Issuers, the Guarantor, the Registrar, the Distribution Agents and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

FORM OF GUARANTEE FOR MORGAN STANLEY B.V. AND MORGAN STANLEY FINANCE LLC

THIS GUARANTEE is made on 26 June 2020 by MORGAN STANLEY, a corporation incorporated under the laws of the State of Delaware (the "**Guarantor**" or "**Morgan Stanley**").

WHEREAS:

(A) The Guarantor, Morgan Stanley & Co. International plc ("**MSI plc**"), Morgan Stanley B.V. ("**MSBV**") and Morgan Stanley Finance LLC ("**MSFL**") have established a Regulation S Program (the "**Program**") for the Issuance of notes, Series A and B ("**Notes**"), warrants ("**Warrants**") and certificates ("**Certificates**", together with the Warrants and Certificates, the "**Program Securities**").

(B) Notes (other than Uncertificated Notes) may be issued under the issue and paying agency agreement dated 26 June 2020 and as from time to time modified and/or restated (the "**Issue and Paying Agency Agreement**") between (amongst others) MSBV, MSI plc, MSFL, the Guarantor and The Bank of New York Mellon. "**Uncertificated Notes**" has the meaning given to it in the Euroclear Agreement (defined below).

(C) Uncertificated Notes may be issued under the Euroclear agreement dated 26 June 2020 and as from time to time modified and/or restated, the "**Euroclear Agreement**") between MSBV, MSI plc, the Guarantor and Computershare Investor Services (Guernsey) Limited.

(D) Warrants and Certificates may be issued under the securities agency agreement dated 26 June 2020 and as from time to time modified and/or restated, the "**Securities Agency Agreement**") between (amongst others) MSBV, MSI plc, MSFL, the Guarantor and The Bank of New York Mellon.

(E) Notes (other than Uncertificated Notes) issued under the Issue and Paying Agency Agreement, Uncertificated Notes issued under the Euroclear Agreement and Warrants and Certificates issued under the Securities Agency Agreement (together, "**Relevant Securities**"), will have the benefit of this Guarantee (subject as provided below). For the avoidance of doubt, Program Securities which are not Relevant Securities will not have the benefit of this Guarantee.

THE GUARANTOR HEREBY guarantees unconditionally and irrevocably the payment obligations under (a) the terms of the Relevant Securities issued by MSBV and MSFL on or after the date hereof and (b) the terms of the Relevant Securities issued by any other of its subsidiaries (other than MSI plc) on or after the date hereof that accedes to the Program and in respect of whom the Guarantor is referred to as guarantor in the Accession Agreement under which such subsidiary accedes to the Program as issuer and/or in the applicable Issuance Document (as such term is defined in the Issue and Paying Agency Agreement in respect of Relevant Securities which are Notes (other than Uncertificated Notes), in the Euroclear Agreement in respect of Relevant Securities which are Uncertificated Notes and in the Securities Agency Agreement in respect of Relevant Securities which are Warrants or Certificates) unless, in each case, otherwise stated in the applicable Issuance Document with respect thereto (each an "**Issuer**") in respect of the Relevant Securities, provided that any such Relevant Securities issued or after the date on which the Guarantor has granted a subsequent guarantee of Relevant Securities (in respect of which such Relevant Securities will have the benefit) shall not have the benefit of this Guarantee (save (i) in relation to any tranche of Relevant Securities which are expressed to be consolidated and form a single series with any tranches(s) of Relevant Securities which have the benefit of this Guarantee, and/or (ii) if expressly so provided in any such subsequent guarantee and/or applicable Issuance Document).

If the Relevant Securities are held by (or be a nominee on behalf of) a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**"), Clearstream Banking, *société anonyme* ("**Clearstream**") or such other clearing system as specified in the applicable Issuance Document with respect to any series of Relevant Securities, the Guarantor covenants to each person who is for the time being shown in the records of the relevant clearing system or registrar (in the case of Relevant Securities in registered form) as the holder of a principal amount of the Relevant Securities (the "**Accountholders**") that it shall make such payments under this Guarantee and acknowledges that the Accountholders may take proceedings to enforce this

Guarantee directly against the Guarantor. The holders of the Relevant Securities from time to time and the Accountholders are referred to herein as the Holders. References to Euroclear, Clearstream or any other clearing system shall include their respective successors and assigns.

The Guarantor hereby agrees that it shall not be necessary, as a condition to enforce this guarantee, that suit be first instituted against the applicable Issuer or that any rights or remedies against such Issuer be first exhausted. Rather, it is understood and agreed that the liability of the Guarantor hereunder shall be primary, direct, and in all respects, unconditional. The obligations of the Guarantor under this Guarantee constitute direct, unconditional and unsecured obligations of the Guarantor and rank without preference among themselves and, subject as aforesaid, *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by laws affecting creditors' rights.

The Guarantor shall be fully liable as if it were the principal debtor under the Relevant Securities whether any time has been granted to the applicable Issuer, whether the obligations of the Issuer under the Relevant Securities have ceased to exist pursuant to bankruptcy, corporate reorganization or other similar event, whether the applicable Issuer has been dissolved or liquidated or consolidated or has changed or lost its corporate identity and whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or defense to a guarantor.

If any moneys shall become payable by the Guarantor under this Guarantee, the Guarantor shall not for so long as the same remain unpaid in respect of any amount paid by it under this Guarantee exercise any right or subrogation in relation to the applicable Issuer or any other right or remedy which may accrue to it in respect of or as a result of any such payment.

The Guarantee of the Guarantor of the Securities will terminate upon the merger of the Issuer with and into the Guarantor.

All payments pursuant to this Guarantee will be made without withholding or deduction for any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied collected, withheld or assessed by the United States of America, or any political subdivision or any authority thereof having power to tax unless such withholding or deduction is required by law. The Guarantor shall not be required to make any additional payments on account of such withholding or deduction (except with respect to any additional payments required to be made by any Issuer under the Program). If the Guarantor becomes subject at any time to any taxing jurisdiction other than the United States of America, references in the Guarantee to the United States shall be construed as references to such other jurisdiction.

This guarantee shall be governed and construed in accordance with New York law, without regard to the conflict of laws principles.

This guarantee shall expire and is no longer effective once all amounts payable on or in respect of the Relevant Securities has been paid in full.

MORGAN STANLEY

By: …….
Name:
Title:

GENERAL INFORMATION

1. **No material adverse change in prospects**

(a) There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2019, the date of the latest published annual audited financial statements of Morgan Stanley.

(b) There has been no material adverse change in the prospects of MSI plc since 31 December 2019, the date of the last published annual audited accounts of MSI plc.

(c) There has been no material adverse change in the prospects of MSBV since 31 December 2019, the date of the last published annual audited accounts of MSBV.

(d) There has been no material adverse change in the prospects of MSFL since 31 December 2019, the date of the last published annual audited financial statements of MSFL.

2. **No significant change in financial performance**

(a) There has been no significant change in the financial performance of Morgan Stanley since 31 March 2020, the date of the last published interim (unaudited) financial statements of Morgan Stanley.

(b) There has been no significant change in the financial performance of MSI plc since 31 December 2019, the date of the last published annual audited accounts of MSI plc.

(c) There has been no significant change in the financial performance of MSBV since 31 December 2019, the date of the last published annual audited accounts of MSBV.

(d) There has been no significant change in the financial performance of MSFL since 31 December 2019, the date of the last published annual audited financial statements of MSFL.

3. **Legal and arbitration proceedings**

Save as disclosed in:

(a) the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Consolidated Financial Statements" at pages 124-126 and the section entitled "Legal Proceedings" at pages 159-163 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2019 (the "**Form 10-K**");

(b) the paragraphs beginning with “Legal” under the heading “Contingencies” under the heading “Commitments, Guarantees and Contingencies” in “Notes to Consolidated Financial Statements (Unaudited) at pages 69-71 and the section entitled “Legal Proceedings” at page 84 of Morgan Stanley’s Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2020; and

(c) (i) the section entitled "Legal Proceedings" at Part 7 of the section entitled "Description of Morgan Stanley & Co. International plc" at pages 66-68 of the Registration Document, (ii) the section entitled "Legal Proceedings" at Part 7 of the section entitled "Description of Morgan Stanley B.V." at page 72 of the Registration Document and (iii) the section entitled "Legal Proceedings" at Part 7 of the section entitled "Description of Morgan Stanley Finance LLC" at page 74 of the Registration Document,

other than those disclosed in the audited financial statements or the interim (unaudited) financial statements, there are no, nor have there been, any governmental, legal or arbitration proceedings involving Morgan Stanley, MSI plc, MSBV or MSFL (including any such proceedings which are pending or threatened of which Morgan Stanley, MSI plc, MSBV or MSFL is aware) during the

12-month period before the date of this Offering Circular which may have, or have had in the recent past, a significant effect on the financial position or profitability of Morgan Stanley, MSI plc, MSBV, MSFL or the Morgan Stanley Group.

4. **The Program Securities have been accepted for clearance and settlement through Euroclear and Clearstream, Luxembourg. The appropriate code for each issue allocated by Euroclear and Clearstream, Luxembourg will be contained in the applicable Pricing Supplement. Transactions will normally be effected for settlement not earlier than two business days after the date of the transaction.**

For so long as this Offering Circular remains in effect or any securities issued by Morgan Stanley, MSI plc, MSBV or MSFL remain outstanding, the following documents will be available from the date hereof in physical or electronic form, during usual business hours on any weekday, for inspection at (a) the specified office of the Fiscal Agent at The Bank of New York Mellon, One Canada Square, London E14 5AL, (b) the specified office of the Registrar, at The Bank of New York Mellon S.A./N.V., Luxembourg Branch, Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg, (c) the specified office of the Principal Securities Agent, at The Bank of New York Mellon, One Canada Square, London E14 5AL. (d) at the principal executive offices of Morgan Stanley and MSFL and the registered offices of MSI plc and MSBV and (e) on the free to access website: https://sp.morganstanley.com/EU/documents:

(i) copies of the Distribution Agreement, the Issue and Paying Agency Agreement, the Securities Agency Agreement, the Euroclear Agreement, the Indenture, the accession agreement dated as of 16 April 2004 relating to MSBV, the accession agreement dated as of 15 June 2010 relating to MSI plc, the accession agreement dated as of 29 April 2016 relating to MSFL, the Deeds of Covenant; the Guarantee; the last two years' of MSI plc, MSBV and MSFL's published financial statements and the last two years' of Morgan Stanley's future Annual, Quarterly and Current Reports. The Form 10-K contains an audited annual financial statement. Morgan Stanley's Quarterly Reports on Form 10-Q contain unaudited quarterly financial statements;

(ii) the Certificate of Incorporation and Amended and Restated By-laws of Morgan Stanley;

(iii) the Certificate of Incorporation and the Articles of Association of MSI plc (these shall not be available at the registered office of Morgan Stanley, MSBV or MSFL);

(iv) the Deed of Incorporation and Articles of Association of MSBV (this shall not be available at the registered office of MSI plc or MSFL);

(v) the Limited Liability Company Agreement of Morgan Stanley Finance LLC dated 27 March 2002 (as amended and restated from time to time) (this shall not be available at the registered office of Morgan Stanley, MSBV or MSI plc);

(vi) a copy of this Offering Circular and any document incorporated by reference herein (save that the annual reports of MSI plc shall not be available at the registered office of MSBV or MSFL, the annual reports of MSBV shall not be available at the registered office of MSI plc and the annual reports of MSFL shall not be available at the registered office of MSI plc or MSBV);

(vii) any supplement to this Offering Circular;

(viii) any Pricing Supplement (save that any Pricing Supplement relating to a Program Security which is not listed will only be available for inspection by a holder of such Program Security and such holder must provide evidence satisfactory to the Issuer as to the identity of such holder); and

(ix) all reports, letters and other documents, historical financial information, valuations and statements by any expert any part of which is included or referred to herein;

Copies of the documents specified in paragraphs (ii) and (vi) shall also be available free-of-charge upon request.

The Pricing Supplements for Program Securities admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market will be published and made available as required by the rules of Euronext Dublin.

In addition, a copy of this Offering Circular, each Pricing Supplement relating to the Securities which are admitted to trading on the Luxembourg Stock Exchange's Euro MTF and the documents incorporated by reference herein will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Pricing Supplements for Program Securities listed on the Global Market of the Gibraltar Stock Exchange will be published and made available as required by the rules of the Gibraltar Stock Exchange.

5. **Share capital**

The share capital of:

(a) Morgan Stanley is disclosed in the section entitled "Share Capital" at page 59 of the Registration Document incorporated by reference herein;

(b) MSI plc is disclosed in the section entitled "Capital Structure" at page 69 of the Registration Document incorporated by reference herein;

(c) MSBV is disclosed in the section entitled "Share Capital" at page 72 of the Registration Document incorporated by reference herein; and

(d) MSFL is disclosed in the section entitled "Capitalisation" at page 75 of the Registration Document incorporated by reference herein.

6. **Morgan Stanley**

The Program was authorised by Morgan Stanley pursuant to resolutions adopted at a meeting of the Board of Directors of Morgan Stanley held on 25 September 1998, as amended and updated pursuant to resolutions adopted at meetings of the Board of Directors of Morgan Stanley held on 17 June 2003, 14 December 2004, 20 September 2005, 12 December 2006, 19 June 2007, 17 September 2007 and 16 June 2008.

7. **MSI plc**

The role of MSI plc as issuer under the Program was authorised by resolutions of the Board of Directors of MSI plc on 14 June 2010, 10 June 2011 and 23 May 2012.

Deloitte LLP, Chartered Accountants and Registered Auditors (members of the Institute of Chartered Accountants of England and Wales) of 1 New Street Square, London EC4A 3HQ have audited the financial statements of MSI plc for the years ended 2018 and 2019 and unqualified audit reports have been provided thereon.

MSI plc publishes annual and half-yearly financial statements.

8. **MSBV**

Deloitte Accountants B.V., independent auditors and certified public accountants of Gustav Mahlerlaan 2970, 1081, LA Amsterdam, The Netherlands, a member of the Netherlands Institute of Chartered Accountants (Nederlandse Beroepsorganisatie van Accountants) have audited the financial statements of MSBV for the year ended 31 December 2018 and the year ended 31 December 2019 and unqualified opinions have been reported thereon.

This document does not contain any other information that has been audited by Deloitte Accountants B.V..

The financial information in respect of MSBV has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union for the years ended 31 December 2018 and 31 December 2019.

The role of MSBV as issuer under the Program was authorised by resolutions of the Board of Directors of MSBV passed on 16 April 2004, 20 June 2007, 17 June 2008, 16 June 2009, 14 June 2010, 9 June 2011, 23 May 2012, 27 June 2013, 1 August 2014, 12 August 2015, 5 August 2016, 27 June 2017, 27 June 2018, 13 June 2019 and 23 June 2020.

MSBV publishes annual and half-yearly financial statements.

9. **MSFL**

Deloitte & Touche LLP, 30 Rockefeller Plaza, New York, NY 10112-0015, U.S.A., independent auditors, have audited the financial statements of MSFL as of and for the year ended 31 December 2018; and as of and for the year ended 31 December 2019, and unqualified opinions have been reported thereon, which include an explanatory paragraph referring to significant transactions with affiliates.

The financial information in respect of MSFL has been prepared in accordance with U.S. Generally Accepted Accounting Principles.

The role of MSFL as issuer under the Program was authorised by resolutions of the Board of Managers of MSFL passed on 5 February 2016.

MSFL publishes audited annual financial statements and unaudited half-yearly financial statements.

10. **Credit Ratings**

Program Securities may or may not be rated. Any credit rating applied for in relation to an issue of a tranche of Program Securities will be specified in the applicable Pricing Supplement. Whether or not such credit ratings applied for will be issued by a credit rating agency established in the European Union or the United Kingdom (the "**UK**") and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") will be disclosed in the Pricing Supplement. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Economic Area ("**EEA**") or the UK and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA or the UK before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA or the UK but is endorsed by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation, or (3) the rating is provided by a credit rating agency not established in the EEA or the UK which is certified under the CRA Regulation.

Credit ratings are for distribution only to a person in Australia:

(i) who is not a 'retail client' within the meaning of section 761G of the Corporations Act (as defined in the Subscription and Sale section above) and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act (as defined in the Subscription and Sale section above); and

(ii) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located.

This Offering Circular includes details of the long-term and short-term credit ratings assigned to Morgan Stanley by DBRS, Inc. ("**DBRS**"), Fitch Ratings, Inc. ("**Fitch**"), Moody's Investors

Service, Inc. ("**Moody's**"), Ratings and Investment Information, Inc. ("**R&I**") and Standard & Poor's Financial Services LLC through its business unit Standard & Poor's Global Ratings ("**S&P**"). The list of credit rating agencies registered under the CRA Regulation (as updated from time to time) is published on the website of the European Securities and Markets Authority (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk).

None of DBRS, Fitch, Moody's and S&P is established in the EEA or the UK or has applied for registration under the CRA Regulation. However, their respective affiliates are established in the EEA or the UK and registered under the CRA Regulation. Such affiliates endorse the ratings of DBRS, Fitch, Moody's and S&P for use for regulatory purposes in the EEA or the UK.

R&I is not incorporated in the EEA or the UK and is not registered under the CRA Regulation.

(a) The credit rating of Morgan Stanley's short-term and long-term debt is (i) R-1 (middle) and A (high), with a stable outlook, by DBRS (ii) F1 and A, with a negative outlook, by Fitch, (iii) P-2 and A3, with a ratings under review outlook, by Moody's, (iv) a-1 and A, with a stable outlook, by R&I; and (v) A-2 and BBB+ with a stable outlook, by S&P.

(b) The credit rating of MSI plc's short-term and long-term debt is (i) P-1 and A1, with a ratings under review outlook, by Moody's, and (ii) A-1 and A+, with a stable outlook, by S&P. MSBV is not rated.

(c) The credit rating of MSFL's long-term debt is (i) A3, with a ratings under review outlook, by Moody's, (ii) BBB+, with a stable outlook by S&P, and (iii) A, with a negative outlook, by Fitch.

11. **Legal Entity Identifier (LEI)**

Legal Entity Identifier (LEI) code of Morgan Stanley is IGJSJL3JD5P30I6NJZ34.

Legal Entity Identifier (LEI) code of Morgan Stanley & Co. International plc is 4PQUHN3JPFGFNF3BB653.

Legal Entity Identifier (LEI) code of Morgan Stanley B.V. is KG1FTTDCK4KNVM3OHB52.

Legal Entity Identifier (LEI) code of Morgan Stanley is Morgan Stanley Finance LLC is 5493003FCPSE9RKT4B56.

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