
2 Common Dilemma and Potential Solution

3 The Resources of Morgan Stanley

2 Requirements of SEC Rule 10b5-1

3 Strategies for Key Employees

10b5-1 Preset Diversification Program

Navigating Rule 10b5-1 for Insiders and Key Employees

SUMMARY

In the past, when company insiders wanted to buy or sell company stock, they faced two major hurdles. One was infrequent, brief trading windows companies established to allow insider transactions. The other was a great deal of uncertainty as to what was permissible and what might trigger potential insider trading liability, under SEC Rule 10b5.

KEY BENEFITS

Affirmative defense against potential claims of insider trading

Access to public markets without regard to corporate blackout periods

Reduce the risk associated with a concentrated equity position through diversification

Ability to dispose of stock on a predictable and consistent basis

Potential to mitigate signaling issues generally associated with sales by insiders

Convenience of putting diversification on “auto-pilot”

Discipline during volatile market fluctuations

Customization of the selling plan to reflect monetization needs

Potential to facilitate the organized disposition of shares by multiple company insiders

► The passage of SEC Rule 10b5-1 gave directors, officers and others with access to material nonpublic information (“inside information”) about their company a way to buy and sell company stock in a pre-established, written trading plan. At Morgan Stanley, a 10b5-1 Preset Diversification Program (PDP – most commonly known as a 10b5-1 Trading Plan – helps insiders to achieve their portfolio objectives while providing them with an affirmative defense against allegations of insider trading.

Common Dilemma and Potential Solution

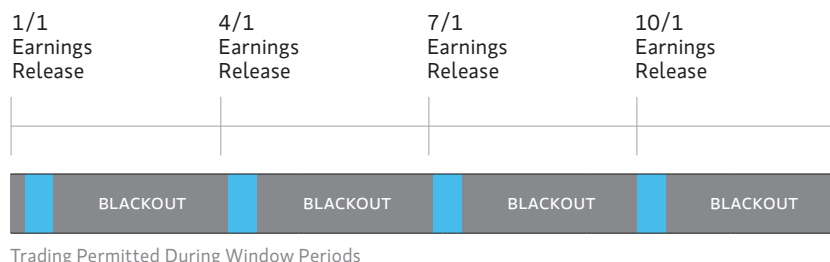
EXECUTIVES OFTEN FACE CORPORATE blackout periods for company stock trades. These vary in length and can be dictated by quarterly earnings releases, litigation issues and acquisition negotiations, among other factors. Taking advantage of a PDP enables the potential for trading company stock without these limitations.

By adopting a PDP, you may structure trading schedules that coordinate with your personal timing requirements (such as the vesting dates for stock options and restricted stock plans) and your need for liquidity or diversification. These plans may involve a strategy of market and/or limit orders that combine to help you achieve your goals.

REQUIREMENTS OF SEC RULE 10B5-1

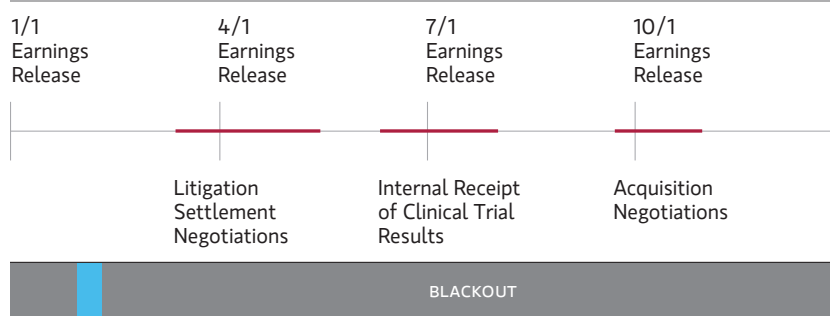
1. You may not possess material nonpublic information when you adopt a plan.
2. You must enter into the plan in good faith and not as part of a plan or scheme to evade the provisions of Rule 10b5-1.
3. You may not exert subsequent influence, either directly or indirectly, over the plan once it has been adopted.

Typical Corporate Blackout/Window Trading Program



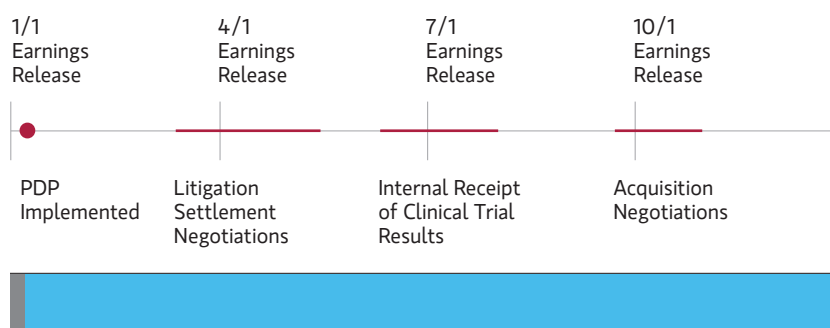
Trading Permitted During Window Periods

Certain Events May Cause Trading Windows to Close



Trading Prohibited During Window Periods When Key Employees or Insiders Are in Possession of Material Nonpublic Information.

Trading Pursuant to PDP

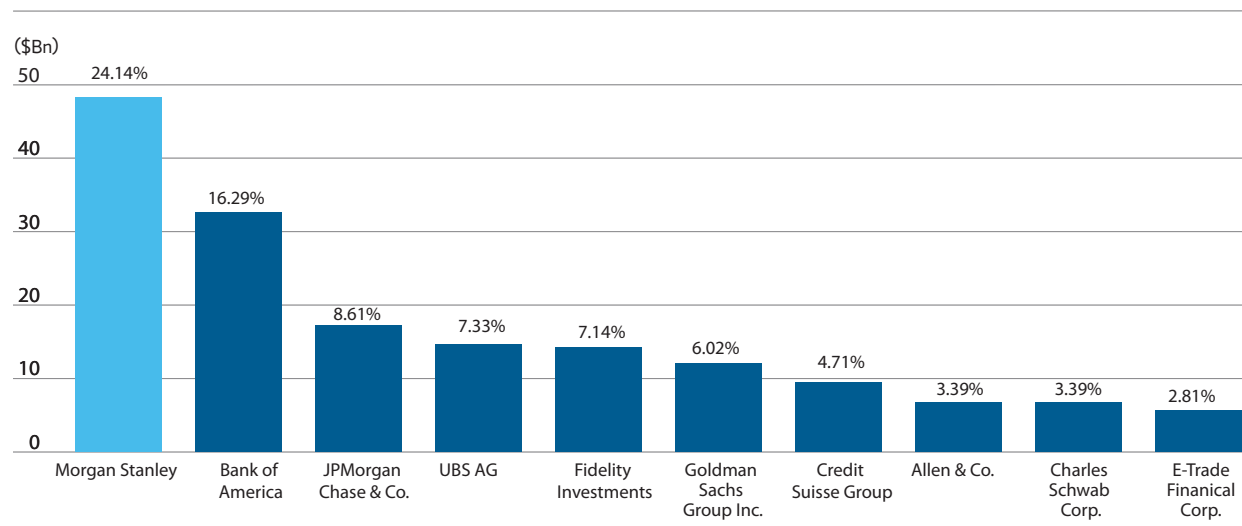


Trading Permitted Pursuant to Terms of Plan.

Note: The above illustrations are based on hypothetical conditions and are not representative of any specific company or company stock.

Market Leader in 10b5-1 Trading Plans

144 10b5-1 Broker Rankings 02/01/2005–12/31/2014



The Washington Service tracks insider trade information filed with the Securities & Exchange Commission. The above data is compiled by the Washington Service from Form 144 filings in the period from 2/1/2005 to 12/31/2014. Data from the period 2/1/2005 to 5/31/2009 reflects the formerly separate PDP businesses of the Global Wealth Management Group of Morgan Stanley & Co. LLC and the Smith Barney division of Citigroup Global Markets Inc. that now form Morgan Stanley Smith Barney LLC. The above data also includes transactions from Morgan Stanley & Co. LLC. Information contained herein was obtained from sources believed reliable but the accuracy and completeness thereof cannot be guaranteed. Information contained herein is subject to change.

The Resources of Morgan Stanley

Working with you, your company's corporate counsel and your Financial Advisor, Morgan Stanley can craft a 10b5-1 PDP to support your investment objectives, and tie the program into a comprehensive wealth management strategy. Your Financial Advisor (FA) can draw on the knowledge and skills of our Executive Financial Services (EFS) group, which provides dedicated expertise to 10b5-1 Trading Plans.

EFS, WORKING WITH YOUR FA, WILL HELP YOU AND YOUR CORPORATE COUNSEL:

- Develop a liquidation strategy
- Create your trading schedule
- Streamline plan administration and execution using proprietary PDP software
- File required Rule 144 forms
- Provide execution notification to facilitate Section 16 filing requirements
- Coordinate stock clearance with the transfer agent

Strategies for Key Employees

Morgan Stanley provides guidance for restricted, control and concentrated securities transactions to executives, directors, key employees and others. In addition to our 10b5-1 PDP, our EFS group provides guidance on:

- The sale and purchase of securities by corporate officers
- Loans secured by eligible restricted, control and concentrated stock¹
- Sales of restricted, control and concentrated securities under applicable regulations, including Rule 144
- Diversification strategies through exercise of employee stock options
- Corporate repurchases by executives or directors under Rule 10b-18

By tying all of the pieces together, we can replace the uncertainty of the past with confidence in your plan for the future. Contact your Morgan Stanley Financial Advisor to find out how we can help.

¹ Borrowing against securities may not be suitable for everyone. You should be aware that securities-based loans involve a high degree of risk and that market conditions can magnify any potential for loss. Most importantly, you need to understand that: (1) Sufficient collateral must be maintained to support your loan(s) and to take future advances; (2) You may have to deposit additional cash or eligible securities on short notice; (3) Some or all of your securities may be sold without prior notice in order to maintain account equity at required maintenance levels. You will not be entitled to choose the securities that will be sold. These actions may interrupt your long-term investment strategy and may result in adverse tax consequences or in additional fees being assessed; (4) Morgan Stanley Bank, N.A., Morgan Stanley Private Bank, National Association or Morgan Stanley Smith Barney LLC (collectively referred to as "Morgan Stanley") reserves the right not to fund any advance request due to insufficient collateral or for any other reason except for any portion of a securities-based loan that is identified as a committed facility; (5) Morgan Stanley reserves the right to increase your collateral maintenance requirements at any time without notice; and (6) Morgan Stanley reserves the right to call securities-based loans at any time and for any reason.

With the exception of a margin loan, the proceeds from securities-based loan products may not be used to purchase, trade or carry margin stock (or securities, with respect to Express CreditLine); repay margin debt that was used to purchase, trade or carry margin stock (or securities, with respect to Express CreditLine); and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.

To be eligible for a securities-based loan, a client must have a brokerage account at Morgan Stanley Smith Barney LLC that contains eligible securities, which shall serve as collateral for the securities-based loan.

Diversification does not guarantee a profit or protect against a loss.

Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services. Investment services are offered through Morgan Stanley Smith Barney LLC.

Unless specifically disclosed in writing, investments and services offered through Morgan Stanley Smith Barney LLC are not insured by the FDIC, are not deposits or other obligations of, or guaranteed by, a bank and involve investment risks, including possible loss of principal amount invested.

Preset Diversification Program® (PDP) is a registered trademark of Morgan Stanley Smith Barney LLC, protected in the United States and other countries.

Rankings reprinted with the permission of Washington Service. 301-913-5100 — www.washingtonservice.com.

Morgan Stanley Smith Barney LLC and its affiliates and their employees (including Financial Advisors and Private Wealth Advisors) are not in the business of providing tax or legal advice. These materials and any statements contained herein should not be construed as tax or legal advice. Individuals should consult their personal tax advisor or attorney for matters involving taxation and tax planning, and their attorney for matters involving personal trusts and estate planning.