

Article 450 of CRR II Disclosure

Morgan Stanley Europe Holding SE Group Regulatory Compensation Disclosure

Morgan Stanley Europe Holding SE Group | As at 31 December 2021

This Compensation Disclosure (the “Disclosure”) sets out the principles relating to compensation within Morgan Stanley Europe Holding SE and its subsidiaries (“MSEHSE Group”). Some of the policies, practices and procedures outlined in the Disclosure apply globally to Morgan Stanley, its subsidiaries and affiliates (the “Company”). The Disclosure has been established in line with the Capital Requirements Directive (“CRD V”), Capital Requirements Regulation (“CRR II”), the Institutsvergütungsverordnung (“InstitutsVergV”), the German Banking Act (“Kreditwesengesetz, KWG”) and any associated regulations and guidance (together the “German Remuneration Rules”).

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1. Morgan Stanley Compensation Objectives and Strategy

The Company is committed to a responsible and effective compensation program that is aligned with the interests of shareholders and Company strategy, is motivating, competitive, and reflects current best practices in corporate governance, risk management and compliance with regulatory principles.

The Company's compensation processes are aligned with the Company's core values; Do the Right Thing, Put Clients First, Lead with Exceptional Ideas, Commit to Diversity and Inclusion and Give Back. The alignment with the Company's core values is a key element considered as part of the performance measurement process.

The Global Compensation, Management Development and Succession Committee ("CMDS Committee") of the Morgan Stanley Board of Directors ("the Board") continually evaluates the Company's compensation programs with a view to balancing the following key objectives, all of which support the Company's culture and values and shareholders' interests:

- **Deliver Pay for Sustainable Performance**
 - Variable annual incentives and performance-vested long-term incentives tied to future performance against strategic objectives
 - Consideration of returns for shareholders and appropriate rewards to motivate employees
- **Align Compensation with Shareholders' Interests**
 - Significant portion of incentive compensation is deferred, subject to cancellation and clawback, and tied to the Company's stock with retention requirements
 - Ongoing shareholder engagement to understand shareholder views
- **Attract and Retain Top Talent**
 - Competitive pay levels to attract and retain the most qualified employees in a highly competitive global talent environment
 - Incentive awards include vesting and cancellation provisions that retain employees and protect the Company's interests
- **Mitigate Excessive Risk-taking**
 - Compensation arrangements do not incentivise unnecessary or excessive risk-taking that could have a material adverse effect on the Company
 - Robust governance around review and approval of compensation programs, including from a risk perspective

2. Compensation Governance

The MSEHSE Group Remuneration Committee ("MSEHSE RemCo")

The MSEHSE Group RemCo oversees the design and implementation of the compensation policies and practices applicable to the MSEHSE Group. The MSEHSE Group RemCo reviews the applicable compensation policies on an annual basis as well as overseeing compliance by the MSEHSE Group with applicable EU and German compensation rules. In 2021, the policies were updated to reflect the MSEHSE Group's significant status and ensured the policies comply with the German Remuneration Rules. On December 31, 2021, the MSEHSE Group RemCo was comprised of three members of the MSEHSE Group Supervisory Board: Clare Woodman, David Russell, and Raja Akram.

As a part of its remit, the MSEHSE Group RemCo reviews the MSEHSE Group Remuneration Policy on at least an annual basis. The MSEHSE Group Remuneration Policy forms an annex to the Morgan Stanley International Limited Group ("MSI Group") Remuneration Policy and ensures compliance across the regulatory requirements applicable to the MSEHSE Group. The MSEHSE Group Remuneration Policy Annex is applicable to all business lines as well as all subsidiaries and branches under the MSEHSE Group including: Morgan Stanley Europe SE and its branches, Morgan Stanley Bank AG, and Morgan Stanley France S.A.

As a subsidiary, the MSEHSE Group has an overlay of regional and global compensation governance from MSI Group and the Company. Summaries of the composition and mandates of the relevant committees are provided below.

The EMEA Remuneration Oversight Committee (“EROC”) and the MSI Group Remuneration Committee (“MSI RemCo”)

The EROC provides formal oversight of EMEA compensation matters to ensure compensation practices in EMEA are compliant with relevant EU and UK legislation. The EROC is comprised of the EMEA Chief Executive Officer (Chair), the EMEA Head of Human Resources (Deputy Chair), the EMEA Chief Finance Officer (EMEA CFO), the EMEA Chief Legal Officer (EMEA CLO), the EMEA Head of Compliance, and the EMEA Chief Risk Officer (EMEA CRO). The EROC met seven times during 2021 and certified compliance with regulatory requirements to the MSI RemCo and the MSEHSE Group RemCo.

The MSI RemCo was appointed by the MSI Board of Directors to oversee the design and implementation of the compensation policies and practices applicable to the MSI Group, which includes contributing to the global policy development that is subject to oversight by the CMDS Committee as well as overseeing compliance by the MSI Group with applicable EU and UK compensation rules. On December 31, 2021, the MSI RemCo was comprised of four non-executive directors: Jonathan Bloomer (Chair), Terri Duhon, Melanie Richards (joined on 8 July 2021) and Paul Taylor, and met five times during 2021. Mary Phibbs resigned from her role as Chair of the MSI RemCo on 8 February 2021.

The CMDS Committee

On December 31, 2021, the CMDS Committee was comprised of four directors, including the independent Lead Director of the Board, all of whom are independent under the New York Stock Exchange listing standards and the independence requirements of the Company. The members were Dennis M. Nally (Chair), Thomas H. Glocer, Stephen J. Luczo, and Rayford Wilkins Jr. Hutham S. Olayan resigned from her role as committee member on 20 May 2021. In 2021, the CMDS Committee held eight meetings. The CMDS Committee operates under a written charter adopted by the Board, which is available on Morgan Stanley’s website at <http://www.morganstanley.com/about-us-governance/comchart.html>.

The CMDS Committee regularly reviews (i) Company performance with respect to execution of strategic objectives and evaluates executive performance in light of such performance; (ii) executive compensation strategy, including the competitive environment and the design and structure of the Company’s compensation programs to ensure that they are consistent with and support the Company’s compensation objectives; and (iii) market trends and legislative and regulatory developments affecting compensation in the U.S. and globally.

Role of relevant external consultants and other stakeholders

The MSEHSE Remuneration Committee, the MSI Group Remuneration Committee and the CMDS Committee have the power to appoint independent remuneration consultants, legal counsel, or other advisors as it may deem necessary to assist it in the performance of its duties and responsibilities.

The day-to-day compliance with the MSEHSE Group’s obligations under the German Remuneration Rules is delegated to the Company’s control functions including, in relation to compensation, the EMEA Human Resources Department (“EMEA HR”). EMEA HR regularly reviews the Company’s regulatory obligations with respect to remuneration in each of the jurisdictions in which it operates and ensures that appropriate variations in policy relating to compensation structures approved by the CMDS Committee are fully compliant with local laws and regulations.

Further, together with the Global Chief Risk Officer (“Global CRO”), the CMDS Committee oversees the Company’s incentive compensation arrangements to help ensure that such arrangements are consistent with the safety and soundness of the Company and do not encourage excessive risk-taking and are otherwise consistent with applicable related regulatory rules and guidance. The Global CRO attends the CMDS Committee meetings on an as needed basis, and at least annually, to discuss the risk attributes of the Company’s incentive compensation arrangements. The Global CRO confirmed to the CMDS Committee that the Company’s compensation programs for 2021 do not incentivise employees to take excessive risk and are unlikely to have a material adverse effect on the Company.

3. Identification of Risk Takers

The MSEHSE Group has established a formal identification framework to identify employees whose professional activities have a material impact on the Group's risk profile. The MSEHSE Group Risk Taker ("MRT") identification framework complies with the qualitative and quantitative criteria set out in Articles 5 and 6 of Commission Delegated Regulation (EU) No 2021/923. The identification framework is reviewed on an annual basis in line with the German Remuneration Rules and the outcome of the review is subject to the approval by the MSEHSE Group Management Boards, the MSEHSE Group RemCo, and the MSEHSE Group Supervisory Boards.

In accordance with Article 6(3) and Article 6(4) of Commission Delegated Regulation (EU) No 2021/923 MRTs are subject to the German Remuneration Rules.

4. Link between Pay and Performance

The Company has a 'pay for performance' philosophy, which is reflected throughout the four key objectives of its compensation programs (see section 1) and applies across all lines of business.

Performance is taken into account at every step of the variable compensation cycle, from the ex-ante adjustment and determination of variable compensation awards to the delivery and where applicable ex-post adjustment of compensation.

Performance measurement for year-end compensation is subject to a multi-dimensional process that considers Company, business unit and individual performance, taking into account financial as well as non-financial performance metrics. This includes but is not limited to: profit before tax, client revenues, efficiency ratio, firm culture, and diversity.

The Company's 'pay for performance' philosophy means that where a variable compensation award is not appropriate, none is paid; every year a portion of the eligible population receive no variable compensation. The governance around the performance evaluation and compensation decision-making process ensures decisions are a product of a number of inputs including performance, risk, and conduct.

Delivering all or a portion of deferred incentive compensation in the form of equity links variable compensation to Company performance through the Company's stock price performance. Risk outcomes that result in a negative impact to the Company reduce the value of the equity, and the employee is subject to this decline in value through the deferral period. In addition, there is a formal governance process to consider and determine ex-ante and ex-post adjustments to variable compensation.

5. Compensation Structure

The Company's compensation philosophy is based on the concept of annualised total reward (or total compensation) and accordingly compensation for the majority of employees is comprised of two key elements:

- Fixed compensation consisting of base salary and, for certain employees, a Role Based Allowance ("RBA") which are determined based on an individual roles and responsibilities and are paid monthly in cash via the payroll; and
- Variable compensation that is based on a number of factors, including but not limited to Company, business unit, and individual performance.

The structure of annual incentive compensation for MRTs complies with the German Remuneration Rules and may comprise upfront cash, stock bonus, and a mix of deferred cash-based and/or equity awards. The following structure applies to relevant MRTs:

- A minimum of 40% to 60% of variable compensation is deferred as follows:
- Members of the management board or the next lower level of management have a five-year deferral vesting on a pro rata basis.
- All other MRT employees have a minimum of a four-year deferral vesting on a pro-rata basis
- Deferred variable compensation is generally awarded in equity.
- Non-deferred variable compensation is awarded 50% in upfront cash and 50% as stock bonus

- Stock bonus awards are available to sell 12 months after grant
- Deferred equity awards are subject to a 12-month post-vest sales restriction
- Subject to local law, variable compensation is subject to cancellation and clawback

The Company expects deferred incentive awards to constitute a significant component of employees' variable compensation and to be designed to protect the Company's long-term interests and align with shareholders' interests. Some employees, including members of the MSEHSE Group's Management Boards, receive a greater proportion of their compensation in share-based instruments.

Guaranteed variable compensation is only paid in exceptional circumstances in the context of hiring new staff and is limited to the first year of service. The awarding of guaranteed variable compensation is subject to an approval process, which includes receiving approval from the appropriate Senior Manager, the EMEA Head of Compensation, the EMEA Head of HR, and in certain circumstances the Global Chief Human Resources Officer (CHRO).

Termination payments made to employees on leaving the MSEHSE Group are reviewed in accordance with the MSEHSE Group's severance framework, which complies with the relevant compensation rules.

Ratios between fixed and variable compensation

The Company's policy on the ratio between fixed and variable compensation is to allow for flexibility, whilst recognising the need to ensure that compensation is appropriately balanced between the fixed and variable elements. A ratio of 1:2 of fixed compensation to variable compensation applicable to all staff of Morgan Stanley Europe SE and its branches was approved by MSESE shareholders on 7 December 2018, in addition to the MSBAG ratio of 1:2 fixed compensation to variable compensation, which was approved by MSBAG shareholders on 18 December 2013. The ratio approved is the maximum allowed under CRD V. Additionally, a ratio of 1:0.5 of fixed compensation to variable compensation applies to staff of control functions.

Deferred Compensation

Employees who reach a certain compensation eligibility threshold receive a portion of their variable compensation in the form of deferred incentive compensation awards.

Each year, the CMDS Committee reviews the variable compensation pool as well as the design and structure of the annual compensation program, including eligibility, the form of deferred incentive awards, deferral formulae, vesting and timing of payments and cancellation/clawback provisions.

The form of deferred incentive compensation awards (i.e., equity, cash, or a combination thereof) is determined based on a variety of factors, including the number of shares available for grant under the Company's equity plans and for MRTs, ensuring compliance with applicable remuneration rules including the German Remuneration Rules.

The Company believes that its compensation decisions for 2021 demonstrate its focus on long-term profitability and commitment to sustainable shareholder value with appropriate rewards to retain and motivate top talent throughout economic cycles.

6. Risk Adjustment

The Company continually monitors the effectiveness of its compensation structure and utilises a thorough process of considering risk-adjusted performance, compliance with risk limits and the market and competitive environment when sizing and allocating annual incentive compensation pools.

Throughout the year, employee conduct matters that are escalated through the Company's Global Conduct Risk Program are reviewed to determine whether they present situations that could require clawback or cancellation of previously awarded compensation, as well as downward adjustments to current year compensation.

All variable compensation for MRTs has provisions that allow for clawback of any awards or compensation paid or delivered. Cancellations and clawbacks of previously awarded compensation are reviewed with the Employee Discipline Oversight Committee (a committee of senior management currently composed of the Company's Chief Operating Officer, Chief Legal Officer, Global CRO, Global CHRO, Chief Audit Officer, and Chief Compliance Officer) and reported to the CMDS Committee quarterly. This process is enhanced by a formalised EMEA malus review process overseen by the EROC. This process involves EROC assessing situations which may warrant adjustment to current year variable compensation and/or to apply cancellation and/or clawback, with reference to specific criteria that are contained in governing incentive compensation award documents and applicable policies. Where appropriate, the relevant MSEHSE Group Boards and Committees receive updates on the malus review process.

In addition to the above governance processes, conduct driven adjustments to current year variable compensation proposed by managers as part of the compensation decision-making process are reviewed by an EMEA panel composed of senior representatives from the Legal, Compliance, and HR functions. This ensures that both the business and the relevant independent functions are included in the review, and that compensation adjustments made are consistent across the MSI Group, including the MSEHSE Group. Compensation adjustments are also reviewed globally, to ensure consistent application.

In 2020 the EMEA Conduct and Culture Committee was set-up to monitor culture and conduct risk trends and determine appropriate culture and conduct remediation actions (such as targeted culture training). This committee is co-chaired by the EMEA CEO and the EMEA Head of Compliance, and members include the EMEA Business Units Heads from the Fixed Income, Institutional Equities, Investment Banking and Global Capital Markets divisions, the EMEA CRO, the EMEA CFO, EMEA Head of HR and EMEA Head of Internal Audit.

In addition to the above, the MSI Group maintains an EMEA-wide Cancellation and Clawback policy which is applicable to all MRTs within the EMEA region. Circumstances which trigger the application of this policy for the MSEHSE Group include but are not limited to:

- Where there is significant downturn in the financial performance of the MSEHSE Group, entity or business unit in which the MRT works,
- Significant failure of risk management within the MSEHSE Group, entity or business unit in which the MRT works
- Significant negative changes in the MSEHSE Group, entity or business unit's economic or regulatory capital base.

Cancellation may occur where there is a misconduct or material error of the MRT which may include:

- Where there has been a severe breach of duty by the MRT and/or serious deficiencies in performance of the MRT,
- Negative performance contributions in which the MRT does not achieve objectives set during the performance management process,
- Negative performance contribution has resulted in a written warning or occurrence of a reason justifying a termination of employment relationship in accordance with Section 626 of the Civil Code.

7. Individual Performance Measurement

The Company has a Global Incentive Compensation Discretion Policy that lays out standards for managers on the use of discretion when making annual compensation decisions and considerations for assessing risk management and outcomes. The policy specifically provides that all managers must consider whether their team members managed risk appropriately and effectively managed and supervised the risk control practices of the employees reporting into them during the performance year. Managers are trained on these requirements annually and are required to certify compliance with the applicable requirements. In addition, conduct, culture, and core values must be considered in the year-end performance evaluation process by considering whether the employee performed his/her job responsibilities in ways consistent with the Company's culture and core values (see section 1). The Company's core value of "Commit to Diversity and Inclusion", ensures focus on diversity and inclusion when making compensation decisions. During the year-end performance and compensation processes managers are provided with an Employee Performance Dashboard, which is an aggregation of performance inputs, including the areas of Risk Management, Conduct and Control.

8. Compensation Determination Process

In determining the amount of discretionary incentive compensation to award an eligible employee, a compensation manager must consider only those factors that are legitimate, business-related and consistent with the Company's legal and regulatory obligations and policies and practices. With this discretion, comes the responsibility to make pay decisions consistent with the Company's equal pay philosophy, which means that compensation managers are accountable for making deliberate, thoughtful, and defensible compensation decisions considering only legitimate, business-related factors. These factors include but are not limited to:

- The employee's absolute and relative performance in an individual and, if relevant, supervisory capacity;
- The employee's conduct and adherence to the Company's core values and other policies and procedures;
- Performance feedback elicited through the Company's performance evaluation processes, including information provided by control function personnel;
- Any disciplinary outcomes administered to the employee during the performance year;
- Any circumstances during the performance year that may result in the cancellation and/or clawback of the employee's previously awarded incentive compensation; and
- Market and competitive conditions.

Compensation decisions for employees in independent control functions are determined by the senior management of those divisions, wholly independent of the business areas they support. The senior management of each control function allocates variable compensation among managers who then allocate among individual employees, taking into account the results of the performance evaluation process, competitive rates of pay, market conditions and relative performance.

The Global Incentive Compensation Discretion Policy, noted above, also provides guidelines to help ensure that annual incentive compensation decisions take relevant factors into consideration, including actual and potential risks to the Company that the employee may be able to control or influence. The policy specifically provides that all compensation managers must consider whether an employee managed risk appropriately and effectively managed and supervised the risk control practices of his or her employee reports during the performance year. Compensation managers are required to certify that they have followed the requirements of Company policies and escalated situations potentially requiring attention for possible cancellations or clawback.

9. Aggregate quantitative information on remuneration

The following tables sets out aggregate quantitative information on compensation of individuals who were employed by the MSEHSE Group in 2021:

Total number of staff	862
Total remuneration (in EUR)	235,424,447
Of which: fixed remuneration (in EUR)	124,790,266
Of which: variable remuneration (in EUR)	110,634,182

EU REM1 – Remuneration awarded for the financial year

			MB Supervisory Function	MB Management Function	Other Senior Management	Other Identified Staff
			a	b	c	d
Fixed remuneration	Number of identified staff	1	4	7	15	62
	Total fixed remuneration	2	267,000	5,689,995	11,506,371	21,960,639
	Of which: cash-based	3	267,000	5,689,995	11,506,371	21,960,639
	(Not applicable in the EU)	4				
	Of which: shares or equivalent ownership interests	EU- 4a	0	0	0	0
	Of which: share-linked instruments or equivalent non-cash instruments	5	0	0	0	0
	Of which: other instruments	EU- 5x	0	0	0	0
	(Not applicable in the EU)	6				
	Of which: other forms	7	0	0	0	0
	(Not applicable in the EU)	8				
Variable remuneration	Number of identified staff	9	0	7	13	57
	Total variable remuneration	10	0	4,417,720	14,709,852	27,588,363
	Of which: cash-based	11	0	883,544	2,941,970	6,506,067
	Of which: deferred	12	0	0	0	0
	Of which: shares or equivalent ownership interests	EU- 13a	0	3,534,176	11,767,882	21,082,296
	Of which: deferred	EU- 14a	0	2,650,632	8,825,911	14,917,763
	Of which: share-linked instruments or equivalent non-cash instruments	EU- 13b	0	0	0	0
	Of which: deferred	EU- 14b	0	0	0	0
	Of which: other instruments	EU- 14x	0	0	0	0
	Of which: deferred	EU- 14y	0	0	0	0
Of which: other forms	15	0	0	0	0	
Of which: deferred	16	0	0	0	0	
Total remuneration (2 + 10)		17	267,000	10,107,715	26,216,224	49,549,002

EU REM2 – Special payments to staff whose professional activities have a material impact on institutions’ risk profile (identified staff)

		MB Supervisory Function	MB Management Function	Other Senior Management	Other Identified Staff
		a	b	c	d
Guaranteed variable remuneration awards					
Guaranteed variable remuneration awards - Number of identified staff	1	0	0	0	4
Guaranteed variable remuneration awards -Total amount	2	0	0	0	3,642,964
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	3	0	0	0	1,398,102
Severance payments awarded in previous periods, that have been paid out during the financial year					
Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	4	0	0	0	0
Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	5	0	0	0	0
Severance payments awarded during the financial year					
Severance payments awarded during the financial year - Number of identified staff	6	0	0	0	0
Severance payments awarded during the financial year - Total amount	7	0	0	0	0
Of which paid during the financial year	8	0	0	0	0
Of which deferred	9	0	0	0	0
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	10	0	0	0	0
Of which highest payment that has been awarded to a single person	11	0	0	0	0

EU REM3 –Deferred remuneration

Deferred and retained remuneration		Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
		a	b	c	d	e	f	EU - g	EU - h
MB Supervisory function	1	0	0	0	0	0	0	0	0
Cash-based	2	0	0	0	0	0	0	0	0
Shares or equivalent ownership interests	3	0	0	0	0	0	0	0	0
Share-linked instruments or equivalent non-cash instruments	4	0	0	0	0	0	0	0	0
Other instruments	5	0	0	0	0	0	0	0	0
Other forms	6	0	0	0	0	0	0	0	0
MB Management function	7	10,679,208	4,513,711	6,165,496	0	0	1,543,110	4,513,711	1,607,362
Cash-based	8	1,511,163	1,177,836	333,327	0	0	0	1,177,836	0
Shares or equivalent ownership interests	9	9,168,045	3,335,875	5,832,170	0	0	1,543,110	3,335,875	1,607,362

Deferred and retained remuneration		Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
Share-linked instruments or equivalent non-cash instruments	10	0	0	0	0	0	0	0	0
Other instruments	11	0	0	0	0	0	0	0	0
Other forms	12	0	0	0	0	0	0	0	0
Other senior management	13	42,356,228	13,232,710	29,123,518	0	0	5,045,850	13,232,710	7,699,430
Cash-based	14	13,675,503	3,440,876	10,234,627	0	0	0	3,440,876	0
Shares or equivalent ownership interests	15	28,680,725	9,791,834	18,888,891	0	0	5,045,850	9,791,834	7,699,430
Share-linked instruments or equivalent non-cash instruments	16	0	0	0	0	0	0	0	0
Other instruments	17	0	0	0	0	0	0	0	0
Other forms	18	0	0	0	0	0	0	0	0
Other identified staff	19	36,583,799	14,486,097	22,097,702	0	0	5,564,856	14,486,097	7,082,852
Cash-based	20	4,932,894	3,867,505	1,065,388	0	0	0	3,867,505	0
Shares or equivalent ownership interests	21	31,650,905	10,618,592	21,032,313	0	0	5,564,856	10,618,592	7,082,852

Deferred and retained remuneration		Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
Share-linked instruments or equivalent non-cash instruments	22	0	0	0	0	0	0	0	0
Other instruments	23	0	0	0	0	0	0	0	0
Other forms	24	0	0	0	0	0	0	0	0
Total amount	25	89,619,235	32,232,518	57,386,717	0	0	12,153,817	32,232,518	16,389,643

EU REM4 – Remuneration of 1 million EUR or more per year

EUR		Identified staff that are high earners as set out in Article 450(i) CRR
1 000 000 to below 1 500 000	1	9
1 500 000 to below 2 000 000	2	14
2 000 000 to below 2 500 000	3	1
2 500 000 to below 7 000 000	4	7

EU REM5 – Information of staff whose professional activities have a material impact on institutions’ risk profile (identified staff)

		Management body remuneration			Business areas						
		MB Supervisor y function	MB Managem ent function	Total MB	Investment Banking	Retail Banking	Asset Managem ent	Corporate Functions	Indepe nt Control Functions	All Other	Total
		a	b	c	d	e	f	g	h	i	j
Total number of identified staff	1										92
Of which: members of the MB	2	8	7	15							
Of which: other senior management	3				15	0	0	0	0	0	
Of which: other identified staff	4				41	0	0	7	14	0	
Total remuneration of identified staff	5	267,000	10,107,715	10,374,715	71,030,297	0	0	1,870,904	2,864,025	0	
Of which: variable remuneration	6	0	4,417,720	4,417,720	40,956,662	0	0	644,316	697,238	0	
Of which: fixed remuneration	7	267,000	5,689,995	5,956,995	30,073,635	0	0	1,226,588	2,166,787	0	

This document represents the annual Compensation Disclosure of Morgan Stanley Europe Holding SE Group, as required under the Capital Requirements Regulations (CRR).