

PROSPECTUS
27 FEBRUARY 2013

Morgan Stanley

*PROGRAM FOR THE ISSUANCE OF
NOTES, SERIES A AND B, WARRANTS AND CERTIFICATES*

Issue of

USD 70,000,000 First-to-Default Credit-Linked Notes linked to JSC Gazprom, Joint Stock Company Russian Railways and JSC VTB Bank due 2016 (the "Notes") Series 6220 issued by Morgan Stanley & Co. International plc

This Prospectus (the "Prospectus") in respect of the issue by Morgan Stanley & Co. International plc (the "Issuer") of the Notes pursuant to the Program for the Issuance of Notes, Series A and B, Warrants and Certificates of Morgan Stanley and certain affiliates dated 27 February 2013 (the "Program").

Application has been made to the Commission de Surveillance du Secteur Financier (the "CSSF") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 (the "Prospectus Act 2005") on prospectuses for securities which implements Directive 2003/71/EC (the "Prospectus Directive") to approve this Prospectus for the purposes of the Prospectus Directive. The CSSF assumes no responsibility as to the economic and financial soundness of the Notes or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005.

Application will be made to the Luxembourg Stock Exchange for the admission to trading on the Luxembourg Stock Exchange's Regulated Market and the listing on the Official List of the Luxembourg Stock Exchange of the Notes.

The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

The Notes are, *inter alia*, credit-linked on a first-to-default basis and provide exposure to the Reference Entities in the Reference Portfolio, which means that the effect of any credit related losses under the Notes following the first Credit Event will be borne by the Noteholder, as further described under "Risk Factors" below. Unless previously redeemed or purchased and cancelled, each Note will be redeemed at the Final Redemption Amount on the Maturity Date. Subject to the occurrence of the First Event Determination Date, an Early Redemption Date or an earlier purchase and cancellation by the Issuer, the Final Redemption Amount in respect of the Notes will be the par value of the Notes payable on the Maturity Date. Upon the occurrence of the Credit Event Trigger (and save where the Notes are redeemed early in accordance with their terms or purchased and cancelled), the Notes may be redeemed by Delivery of Deliverable Obligations on or prior to the Physical Settlement Date, save in the limited circumstances set out herein in which case cash settlement with respect to some or all of the Notes may apply, which may be prior to, on or after the Scheduled Maturity Date. The Notes are subject to early redemption for tax reasons or upon the occurrence of an event of default, in which case the Issuer will redeem the Notes at the Early Redemption Amount.

Subject to the above and an Interest Suspension Period, each Note will pay Fixed Coupon Amounts on each Interest Payment Date during the life of the Notes until the earliest of (a) the Interest Payment Date immediately preceding the First Event Determination Date (or if no such Interest Payment Date has occurred, the Interest Commencement Date); (b) the Scheduled Maturity Date; and (c) the Early Redemption Date.

Payments made by the Issuer, 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 (the "Taxes") imposed or levied by or on behalf of the United States or the United Kingdom, 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.

See "Risk Factors" on pages 7 to 14 for a discussion of certain factors that should be considered in connection with an investment in the Notes.

MORGAN STANLEY

This Prospectus constitutes a prospectus for the purposes of Article 5.3 of the Prospectus Directive.

The Issuer (the "Responsible Person") accepts responsibility for the information contained in this Prospectus and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "Documents Incorporated by Reference" below). This Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, this Prospectus.

The Dealer has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealer as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Notes or their distribution. The Dealer does not accept any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Notes or their distribution.

The only persons authorised to use this Prospectus in connection with an offer of Notes are the Issuer and the Dealer.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer.

Neither this Prospectus nor any other information supplied in connection with the Notes (i) is intended to provide the basis of any credit or other evaluation, or (ii) should be considered as a recommendation by the Issuer or the Dealer that any recipient of this Prospectus or any other information supplied in connection with the Notes should purchase any Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Dealer to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealer expressly does not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to its attention.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealer do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealer which is intended to permit a public offering of any Notes in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area and Russia (see "*Subscription and Sale*" on pages 369 to 378 of the Base Prospectus (as defined below)).

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of, any offer of Notes in any other circumstances.

Except as disclosed in "Recent Events" on page 35 of the Registration Document dated 7 June 2012 and in the Base Prospectus Supplement dated 25 June 2012, there has been no significant change in the financial or trading position of the Issuer since 31 December 2011 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2011.

Except as disclosed in "Legal Proceedings" on pages 43 to 54 of the Registration Document dated 7 June 2012, the Issuer is not nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on its financial position or profitability.

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

THE NOTES DESCRIBED HEREIN 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 IN THE UNITED STATES, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE NOTES DESCRIBED HEREIN 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 EITHER REGULATION S UNDER THE SECURITIES ACT OR THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED). SEE "SUBSCRIPTION AND SALE" AND "NO OWNERSHIP BY U.S. PERSONS" IN THE BASE PROSPECTUS DATED 7 JUNE 2012. 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 FOR, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON. THE NOTES ARE NOT RATED.

THE DEALER HAS REPRESENTED, WARRANTED AND AGREED THAT IT HAS NOT OFFERED OR SOLD OR OTHERWISE TRANSFERRED AND WILL NOT OFFER OR SELL OR OTHERWISE TRANSFER AS PART OF THEIR INITIAL DISTRIBUTION OR AT ANY TIME THEREAFTER ANY NOTE TO OR FOR THE BENEFIT OF ANY PERSONS (INCLUDING LEGAL ENTITIES) RESIDENT, INCORPORATED, ESTABLISHED OR HAVING THEIR USUAL RESIDENCE IN THE RUSSIAN FEDERATION OR TO ANY PERSON LOCATED WITHIN THE TERRITORY OF THE RUSSIAN FEDERATION UNLESS AND TO THE EXTENT OTHERWISE PERMITTED UNDER RUSSIAN LAW. INFORMATION SET FORTH IN THIS PROSPECTUS IS NOT AN OFFER, OR AN INVITATION TO MAKE OFFERS, TO SELL, EXCHANGE OR OTHERWISE TRANSFER, THE NOTES IN THE RUSSIAN FEDERATION OR TO OR FOR THE BENEFIT OF ANY RUSSIAN PERSON OR ENTITY. THE NOTES MAY NOT BE SOLD OR OFFERED TO OR FOR THE BENEFIT OF ANY PERSON (INCLUDING LEGAL ENTITIES) THAT ARE RESIDENT, INCORPORATED, ESTABLISHED OR HAVING THEIR USUAL RESIDENCE IN THE RUSSIAN FEDERATION OR TO ANY PERSON LOCATED WITHIN THE TERRITORY OF THE RUSSIAN FEDERATION UNLESS AND TO THE EXTENT OTHERWISE PERMITTED UNDER RUSSIAN LAW; IT BEING UNDERSTOOD AND AGREED THAT THE DEALER MAY DISTRIBUTE THIS PROSPECTUS TO QUALIFIED INVESTORS (AS DEFINED UNDER RUSSIAN LAW) IN THE RUSSIAN FEDERATION IN A MANNER THAT

DOES NOT CONSTITUTE AN ADVERTISEMENT (AS DEFINED IN RUSSIAN LAW) OF NOTES AND MAY SELL NOTES TO RUSSIAN QUALIFIED INVESTORS IN A MANNER THAT DOES NOT CONSTITUTE "PLACEMENT" OR "PUBLIC CIRCULATION" OF THE NOTES IN THE RUSSIAN FEDERATION (AS DEFINED IN RUSSIAN LAW). SINCE NEITHER THE ISSUANCE OF THE NOTES NOR A RUSSIAN SECURITIES PROSPECTUS IN RESPECT OF THE NOTES HAS BEEN REGISTERED, OR IS INTENDED TO BE REGISTERED, WITH THE FEDERAL SERVICE FOR FINANCIAL MARKETS OF THE RUSSIAN FEDERATION, THE NOTES ARE NOT ELIGIBLE FOR INITIAL OFFERING OR PUBLIC CIRCULATION IN THE RUSSIAN FEDERATION.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the English Law Notes set forth in the Base Prospectus dated 7 June 2012 and the supplemental Base Prospectus dated 25 June 2012, which together constitute a base prospectus (the "Base Prospectus"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Prospectus and the Base Prospectus. Copies of the Base Prospectus are available from the offices of Morgan Stanley & Co. International plc at 25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom.

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RISK FACTORS

This section, the "Risk Factors Relating to the Program Securities" on pages 6 to 20 of the Base Prospectus and the "Risk Factors" on pages 5 to 18 of the Registration Document set out factors that may affect the Issuer's ability to fulfil its obligations under the Notes and/or are material for the purpose of assessing the market risks associated with investing in the Notes.

Information Concerning Investment Risk

Overview

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 deciding whether or not to purchase Notes, Noteholders and prospective purchasers should form their own views of the merits of an investment linked to the credit risk of the Reference Entities (which when referred to in this Prospectus shall be deemed to include Successors thereof) including the first-to-default risk of such Reference Entities comprising the Reference Portfolio, based upon such investigations and not in reliance on any information given in this document. Noteholders and prospective purchasers of Notes should determine whether an investment in the Notes is appropriate in their particular circumstances and should consult with their legal, regulatory, tax, business, investments, financial and accounting advisers to determine the consequences of an investment in the Notes and to arrive at their own evaluation of the investment.

The Notes will not have the benefit of a rating. Any existing rating assigned to the Issuer will not apply to these Notes.

Given the highly specialised nature of these Notes, the Issuer and Morgan Stanley & Co. International plc as the Dealer consider that they are only suitable for highly sophisticated investors who are willing to take considerable risks, who are able to determine for themselves the risk of an investment linked to the credit risk of the Reference Entities including the first-to-default risk of such Reference Entities comprising the Reference Portfolio. Consequently, if you are not an investor who falls within the description above you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.

Prospective investors will be required to acknowledge or will be deemed to have acknowledged that they understand the risks and potential consequences associated with purchases of the Notes and that they have made such independent appraisal of the Reference Entities and the economic circumstances of each Reference Entity as they think appropriate, and have consulted with their own legal, regulatory, tax, business, investments, financial and accounting advisors to the extent they believe is appropriate to assist them in understanding and evaluating the risks involved and the consequences of purchasing the Notes.

Prospective investors are urged to review the Base Prospectus as supplemented by this Prospectus for a full detailed description of the Notes and in particular the risk factors associated with the Notes. Investments in the Notes involve a number of risks and there can be no assurance that the full (or any) amount invested in the Notes will be returned. This section highlights a limited number of those risks, but is not and does not purport to be a complete list of the risks inherent in an investment in the Notes.

Risks relating to Credit-Linked Notes

Payment Risk. The payments of the Final Redemption Amount and the amount payable in respect of early redemption of the Notes following the occurrence of a Credit Event are linked (amongst other things) to the performance and creditworthiness of the Reference Entities including the first-to-default risk of such Reference Entities comprising the Reference Portfolio. The occurrence of the First Event Determination Date will result in the Notes being redeemed by Delivery of Deliverable Obligations and/or, in the limited circumstances described herein, payment of the Cash Settlement Redemption Amount (see also "*Physical settlement and fallback to cash settlement*"). The value of the Deliverable Obligations Delivered and/or the Cash Settlement Redemption Amount may be zero. The deliverables and/or amount payable on early redemption of the Notes may also take into account factors including, without limitation, the reasonable costs to the Issuer or its affiliates of unwinding or re-establishing any related hedging arrangements, prevailing interest rates, currency exchange rates and credit spreads. Only sophisticated investors who are experienced in financial matters, familiar with credit-linked instruments

(including the Notes, the Reference Obligations, the Deliverable Obligations and the Undeliverable Obligations upon which payments and/or deliveries in respect of the Notes are dependent) and who can bear any losses associated therewith should consider purchasing the Notes.

Exposure to the Reference Portfolio. Prospective investors who consider purchasing the Notes should understand the credit-linked nature of the Notes, in particular the risks associated with each Reference Entity in the Reference Portfolio. The Notes are linked to the credit of the Reference Portfolio on a "first-to-default" basis. Payments and/or deliveries under the Notes are dependent upon, among other things, the credit performance of each Reference Entity and the First Event Determination Date that occurs in the Reference Portfolio. Noteholders should be aware that in the case of a Credit Event occurring in respect of a Reference Entity, the Noteholders are exposed to full loss of principal and interest. The "first-to-default" nature of the risk, however, means that the Noteholder is not exposed to any subsequent Event Determination Date in respect of any other Reference Entity except in cases where there is more than one Successor to a Reference Entity and hence, potentially more than one Reference Portfolio (see also "*Successor Reference Entities*").

Volatility. The Notes are complex financial instruments and are linked to the credit of the Reference Entities including the first-to-default risk of such Reference Entities comprising the Reference Portfolio. Therefore changes in the market value of the Notes could be greater than the change in the market value of any obligations issued by the underlying Reference Entities, and the market value of the Notes is subject to credit, liquidity and interest rate risk. The market value of the Notes (whether indicative or actionable) will vary over time and may be significantly less than the Aggregate Nominal Amount of the Notes (or even zero) in certain circumstances.

Extension of Maturity. The Scheduled Maturity Date of the Notes is 20 June 2016. Prospective investors should note, however, that the Notes will be redeemed on the Maturity Date, which may be later. No interest will be payable on the Notes from and including the Scheduled Maturity Date to the Maturity Date, subject to "*Interest Suspension*" as described below. The Determination Agent may deliver a notice to the Issuer and the Fiscal Agent on any date up to and including the Scheduled Maturity Date if it determines in good faith that it is likely that the Maturity Date will take place after the Scheduled Maturity Date.

Moreover, if there is more than one Successor to a Reference Entity due to the occurrence of a Succession Event resulting in multiple Reference Portfolios (see also "*Successor Reference Entities*") and there exists a Potential Credit Event or an Unsettled Credit Event, in respect of a Reference Entity in a Reference Portfolio, the Notes corresponding to such Reference Portfolio will not redeem on the Scheduled Maturity Date; rather such Notes will redeem on the Maturity Date to the extent described herein. However, the Notes corresponding to each Reference Portfolio for which there exists no Potential Credit Event or no Unsettled Credit Event in respect of all Reference Entities in each such Reference Portfolio, shall be redeemed on the Scheduled Maturity Date.

Interest. Prospective investors should note that the first Interest Period will commence from and including the Issue Date and no interest will accrue on the Notes with effect from the earliest to occur of: (a) the Scheduled Maturity Date, (b) the Early Redemption Date, and (c) the Interest Payment Date immediately preceding the First Event Determination Date (if any such First Event Determination Date occurs). If an Extension Notice has been delivered, the Notes will cease to bear interest for the period from and including the Scheduled Maturity Date to and including the Extended Maturity Date (subject to "*Interest Suspension*" as described below). Prospective investors should note that notwithstanding the above if any First Event Determination Date occurs on or prior to the first Interest Payment Date, no interest will accrue or be payable on the Notes.

Interest Suspension. Prospective investors should note that interest will not be paid during an Interest Suspension Period. There may therefore be significant periods during which no interest will be payable. Prospective investors should also note that unless it transpires that no Event Determination Date has occurred, interest will not accrue during an Interest Suspension Period. Although interest will be deemed to accrue during an Interest Suspension Period where it later transpires that no Event Determination Date has occurred, prospective investors should be aware that no additional interest will accrue as a result of the delay in receiving such interest.

Credit Event Risk. The Notes are linked to the credit of the Reference Entities in the Reference Portfolio on a "first-to-default" basis (see also "*Successor Reference Entities*"). Payments and/or deliveries under the Notes are dependent upon, among other things, the credit performance of each Reference Entity and

the occurrence of the First Event Determination Date that occurs in respect of a Reference Entity in the Reference Portfolio. If a Credit Event occurs, the Noteholders may receive obligations with a value of zero and/or the Cash Settlement Redemption Amount may be zero, thereby exposing them to full loss of principal and interest.

The "first to default" nature of the risk, however, means that the Noteholder is not exposed to any subsequent Event Determination Date in respect of any other Reference Entity except in cases where there is more than one Successor to a Reference Entity and hence, potentially more than one Reference Portfolio (as described below).

The terms of the Notes provide that investors will be exposed to the credit risk in respect of each Reference Entity in the Reference Portfolio from a date prior to the issue of the Notes. Investors should note in particular that a Credit Event occurring prior to the Trade Date may result in a Credit Event Trigger since a look-back period of 60 calendar days applies prior to the Credit Event Resolution Request Date. This means that investors are exposed to Credit Events that occurred significantly earlier than the issuance of the Notes.

Not all of the Credit Events require an actual default with respect to a Reference Entity's obligations. Thus Noteholders could bear losses based on deterioration in the credit of a Reference Entity short of a default. Also, not all Credit Events are triggered by events which are easily ascertainable and disputes can and have arisen as to whether a specific event with respect to an entity or its corresponding obligation did or did not constitute a Credit Event. Under the terms of the Notes, the Credit Derivatives Determinations Committee, the Issuer's or the Determination Agent's determination whether a Credit Event has or has not occurred will be binding on the Issuer and the Noteholders, and may be different from the view of the Noteholders or other financial institutions, rating agencies or commentators. In the event of any inconsistency between the determination of (i) the Issuer and/or the Determination Agent and (ii) the Credit Derivatives Determinations Committee, the determination by the Credit Derivatives Determinations Committee shall prevail, and corresponding changes to the Notes may apply retroactively.

In addition, the creditworthiness and/or performance of each Reference Entity may be dependent upon economic, political, financial and social events locally and globally. There can be no assurance that such factors will not adversely affect a Reference Entity's creditworthiness and/or performance and, in turn, the value of the Notes. The Notes do not represent a claim against any Reference Entity and, in the event of any loss, Noteholders will have no recourse under the Notes to any Reference Entity.

Successor Reference Entities. Pursuant to the Credit Derivatives Definitions, a Reference Entity may be subject to replacement by one or more Successors. If there is more than one Successor to a Reference Entity, the Noteholders will be subject to the "first-to-default" credit risk of multiple Reference Portfolios, each portfolio consisting of one such Successor and all other Reference Entities not the subject of the Succession Event. If a First Event Determination Date occurs with respect to one such Successor, the Noteholders will still be subject to the credit risk of the other Successors and the other Reference Entities comprising each remaining Reference Portfolio. Prospective investors should note that, in relation to each Successor, a Credit Event Notice may be delivered in respect of a Credit Event that occurred with respect to a Successor or the relevant Obligations to which it succeeded if the relevant Succession Event giving such rise to such Successor occurred on or after the Succession Event Backstop Date, which may be 90 calendar days prior to the Succession Event Resolution Request Date (if any). In addition, prospective investors should note that following a Succession Event, the Determination Agent has broad discretion to make adjustments to the terms and conditions of the Notes without obtaining Noteholder consent.

Risks relating to Credit Derivatives Definitions and Credit Derivatives Determinations Committees. The terms and conditions of the Notes incorporate the definitions and provisions of the 2003 Credit Derivatives Definitions, as amended by, inter alia, the Additional Provisions for LPN Reference Entities and the July 2009 Supplement and as further amended herein. Accordingly, only investors who are familiar with, and fully understand the definitions and provisions of the Credit Derivatives Definitions and have access to the relevant Credit Derivatives Definitions should consider purchasing the Notes issued hereunder. Prospective investors should be aware that investing in the Notes may not be equivalent to selling credit protection in respect of the Reference Entities comprising the Reference Portfolio by way of a market standard credit default swap transaction that incorporates the Credit Derivatives Definitions. In particular, prospective investors should also understand that the Notes amend the Credit Derivatives Definitions in certain significant ways and so they should not expect the same result under both the Notes and the Credit Derivatives Definitions.

Prospective investors should be aware that, as provided for in the Credit Derivatives Definitions, many of the decisions relating to the terms of the Notes may be determined by the Credit Derivatives Determinations Committee. Prospective investors should be familiar with the rules and the manner in which the Credit Derivatives Determinations Committee is constituted and Resolves matters. By purchasing the Notes, investors shall be deemed to agree (a) that no DC Party and no legal counsel or other third-party professional hired by a DC Party in connection with such DC Party's performance of its respective duties under the relevant rules and the Credit Derivatives Auction Settlement Terms, shall be liable, whether for negligence or otherwise, except in the case of fraud or wilful misconduct and (b) to waive any such claim, whether for negligence or otherwise, except as aforesaid.

Prospective investors should note that, if the Credit Derivatives Definitions are amended (whether by way of a protocol published by the International Swaps and Derivatives Association, Inc. ("ISDA"), or otherwise) in such a way that would have retrospective effect on Customary Credit Derivative Transactions, the Determination Agent will make amendments to the terms of the Notes that it determines in good faith are necessary.

Conflicting Interests. Prospective investors should also note that the Issuer, or an affiliate, is a voting member on each Credit Derivatives Determinations Committee and is a party to transactions that incorporate the July 2009 Supplement. It may take actions that influence the decisions of the Credit Derivatives Determinations Committee. Such actions may be adverse to the interests of the Noteholders while benefiting the Issuer or its affiliates. In taking any action relating to the Credit Derivatives Determinations Committee or performing any duty under the Rules, the Issuer or its affiliate has no obligation to consider the interests of the Noteholders and may act regardless of any conflict of interest due to its responsibilities under the Notes.

Prospective investors should also be aware the Credit Derivatives Determinations Committee will be able to make a broad range of determinations in accordance with the Rules that may be relevant to the Notes and materially affect the Noteholders. The Credit Derivatives Determinations Committee will be able to make determinations without action or knowledge by the Noteholders.

In the exercise of its discretion, the Determination Agent may act in its own interests (in any capacity) and does not owe any fiduciary duties to the Issuer or Noteholders.

Prospective investors should also note that whilst the Determination Agent will make certain decisions in accordance with the terms and conditions of the Notes, these decisions may subsequently be modified by a determination of the Credit Derivatives Determinations Committee resulting in retroactive amendments to the Notes.

Timing of settlement. The Issuer or Determination Agent may exercise the Issuer's right of settlement at any time following the occurrence of a Credit Event even if the Credit Event is not continuing at the time such right is exercised, subject to the provisions of the Credit Derivatives Definitions and the decisions of the Credit Derivatives Determinations Committee.

Additionally the valuation and settlement procedures may be tolled and suspended in certain circumstances outside of the control of the Issuer such as due to the occurrence of a Settlement Suspension whereby, following the occurrence of an Event Determination Date if, prior to any Delivery Date or Pricing Date, ISDA publicly announces that (i) the conditions to convening a Credit Derivatives Determinations Committee in order to determine whether or not a Credit Event has occurred with respect to such Reference Entity are satisfied in accordance with the Rules, or (ii) an Auction will be held in respect of such Reference Entity, the redemption of the Notes will toll and remain suspended until after such time as ISDA publicly announces that (x) the relevant Credit Derivatives Determinations Committee has Resolved the matters being considered at the Credit Derivatives Determinations Committee or Resolved not to determine such matters or (y) the relevant Auction Final Price has been determined, as applicable, as further described herein. During such suspension period, no interest will accrue on the Notes and the Determination Agent will not be obliged to, nor will it be entitled to, take any action in connection with the settlement of the Notes (see also "*Extension of Maturity*").

Noteholders will have no right to remedy, waive or rescind the Credit Event or take any action to mitigate the ultimate loss which may be imposed upon them by virtue of their interest in the Notes and will bear the risk of any change in the value of obligations of the Affected Reference Entity between the date of the

Credit Event and the relevant Delivery Date and/or, if applicable, the Cash Settlement Date. During this period there could be a substantial decrease in the value of such obligations.

Physical settlement and fallback to cash settlement. Under the terms of the Notes, the losses associated with a Credit Event will be physically settled. Prospective investors should note that the value of the Deliverable Obligations on the relevant date of Delivery may be less than the value of the Deliverable Obligations determined as of the relevant Pricing Date in accordance with the terms of the Notes (and such date may be determined by the Determination Agent in good faith and in a commercially reasonable manner). In addition, the price at which Noteholders may sell Deliverable Obligations in the market after Delivery may be significantly less than the value of the Noteholders' initial investment in the Notes and less than their value as determined in accordance with the terms of the Notes (including zero).

In relation to physical settlement and, in the event that (a) it is impossible, impractical or illegal (i) for the Issuer to Deliver or accept delivery of all or any of the Deliverable Obligations, or (ii) for the Noteholder to accept delivery of all or any of the Deliverable Obligations (including, without limitation, and in the case of both (i) and (ii), as a result of the failure of the relevant clearing system or due to any law, regulation or court order); (b) the Issuer has not received from the Noteholder the Settlement Account Notice on or before the third Business Day following the date of the Notice of Physical Settlement; or (c) the Issuer is otherwise unable to acquire any of the Deliverable Obligations, and unless the Determination Agent has subsequently determined that such event or circumstance as further described herein ceases to exist, the Issuer may (in lieu of delivery thereof) pay to each affected Noteholder the Cash Settlement Redemption Amount on the Cash Settlement Date in respect of all such Undeliverable Obligations, as determined by the Determination Agent on the relevant Pricing Dates, which may be as late as the first Business Day falling forty Business Days after the Scheduled Physical Settlement Date. Consequently, the Noteholders may receive a combination of Deliverable Obligations and cash, and the receipt of such Deliverable Obligations and cash may occur on substantially different days depending on certain physical settlement and cash settlement procedures, as described herein.

The Determination Agent may select any obligations of the Affected Reference Entity (whether as principal, guarantor or otherwise) which satisfy the requirements for a Deliverable Obligation. Such obligations are likely to be in default or have a distressed value at the time of valuation. Furthermore, in selecting such obligations the Determination Agent will not be required to consider the interests of the Noteholders or mitigate the Noteholders' losses. The Determination Agent will have complete discretion to select the cheapest, most illiquid obligations of the Affected Reference Entity so long as such obligations satisfy the requirements for a Deliverable Obligation. Prospective investors should note that, the selection of such Deliverable Obligations, including to the extent that such Deliverable Obligations are Undeliverable Obligations, and the Determination Agent's selection of the Pricing Date(s) may provide a different result to that under a market standard credit default swap transaction that incorporates the Credit Derivatives Definitions and values a Reference Obligation.

Prospective investors must carry out their own assessment as to their suitability and capability of accepting the delivery of Deliverable Obligations and whether such delivery is in accordance with local law or regulation.

General Risks relating to the Notes

Early Redemption. The Notes may be redeemed prior to their scheduled maturity as a result of the occurrence of certain events, such as an Event of Default or a tax redemption. Any such redemption of the Notes will be at the Early Redemption Amount which is based on the fair value of the Notes as determined by the Determination Agent taking into account any considerations it deems necessary acting in good faith and in a commercially reasonable manner. Prospective investors should also note that in determining the Early Redemption Amount, the reasonable costs to the Issuer or its affiliates in relation to unwinding or re-establishing any related hedging transactions will, inter alia, be deducted from the fair value of the Notes. These costs will not be known in advance to an investor and will be determined by the Determination Agent in good faith and in a commercially reasonable manner.

Issuer Credit Risk. Noteholders are subject to the credit risk of the Issuer. Any credit ratings assigned to the Issuer represent the rating agencies' opinion regarding its credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in the value of the Notes. Therefore, the ratings assigned to the Issuer may not fully reflect the true risks of an investment in the Notes.

Lack of Liquidity. The Notes should be viewed as longer-term investments, not as liquid instruments. There can be no assurance that there will be any secondary market for the Notes. The Issuer and its affiliates are not obligated to make a secondary market in the Notes.

General Conflicting Interests. The Determination Agent is the same legal entity as, or may be an affiliate of, the Issuer, and the economic interests of the Determination Agent may be adverse to the interests of the Noteholders. Determinations made by the Determination Agent including the amount payable or the Deliverable Obligations deliverable in the event of an early redemption of the Notes, will affect the recovery by the Noteholders of their principal investment and other payments to the Noteholders in respect thereof.

With respect to the Notes, various potential and actual conflicts of interest may arise. The Issuer (or any affiliate) and others associated with it may have positions in, and may effect transactions in, securities and instruments of issuers mentioned herein and may also perform or seek to perform investment banking services for the issuers of such securities and instruments. In addition, the Issuer (or any affiliate) and others associated with it are involved in the structure relating to the Notes at various levels and various conflicts of interest may arise as a result of the roles each undertakes in the structure as well as from the overall activities of the Issuer (or any affiliate), including placing, underwriting, holding, arranging or structuring any obligation of a Reference Entity.

Business Dealings with the Reference Entities. The Issuer and its affiliates may presently or from time to time engage in business with any Reference Entity, including entering into loans, making investments, providing investment advisory services and generally engaging in any kind of commercial or investment banking or other business transactions. Such business dealings may directly or indirectly affect the creditworthiness of any such Reference Entity and accordingly may, in certain cases, result in a Credit Event occurring. The Issuer and its affiliates take no responsibility for such consequences and are under no obligation to consult with the Noteholders in respect thereof or to consider their interests. Furthermore, the Issuer and its affiliates may have acquired, or during the term of the Notes may acquire, confidential information regarding a Reference Entity or any Successor Reference Entity. The Issuer and its affiliates are under no obligation to make such information available to the Noteholders.

In relation to any conflicting interests or business dealings with a Reference Entity, as described above, the Issuer may act, in the same manner as if the Notes did not exist and without regard as to whether such action might have an adverse effect on a Reference Entity, any obligation of a Reference Entity, any investment manager or trustee related to any obligation of a Reference Entity, the Issuer or the Noteholders. Although the Issuer and/or its affiliates may have entered into and may from time to time enter into business transactions with any obligation of a Reference Entity, a Reference Entity or the issuer of any asset which references a Reference Entity and any investment manager or trustee relating to any obligation of a Reference Entity, the Issuer and/or its affiliates at any time may or may not hold obligations of a Reference Entity or have any business relationship with such entity.

Taxes and Withholding Taxes. Prospective investors should note that this Prospectus amends the Base Prospectus such that where a withholding of tax is required by law to be made to any payment of principal or interest on the Notes, such payment will be made net of any withholding tax and no additional payment will be made to the Noteholders. Prospective investors should seek advice based on its particular circumstances from an independent tax advisor.

Fees. Fees may have been paid to third parties in relation to the Notes. Further information is available on request.

Emerging Market Countries. Emerging market countries such as Russia are by definition "in transformation" and they are therefore more exposed to the risk of swift political change and economic downturns than their industrialised counterparts. In recent years, many emerging market countries have undergone significant political, economic and social change. In many cases, far-reaching political changes have resulted in constitutional and social tensions and in some cases instability and reaction against market reforms has occurred. In other cases, the slow pace of economic or political change has resulted in social or political unrest. There can be no assurance that current and future political and social changes will not adversely affect the economic conditions of a Reference Entity. Political, social or economic instability may affect investor confidence, which could in turn have a negative impact on the value of the Notes. Potential investors should note that the Notes could be affected by various onshore events in emerging market countries, including, restrictions on the convertibility or transferability of the local

currencies, the imposition of taxes that have similar effects on the convertibility or transferability of the local currencies, the nationalization, expropriation or similar events by authorities in emerging market countries that deprive non-resident investors of assets situated in emerging market countries or restrict such investors' ability to conduct business in emerging market countries or the imposition of a banking moratorium in emerging market countries.

The Notes may be affected by the financial, social, political and general economic conditions prevailing from time to time in Russia, its neighbouring countries generally and other parts of the world due to the interconnectedness of the global economy.

Regulatory Changes. The recent financial crisis resulted in, and could result in further, unprecedented and considerable change to the laws, regulations and guidelines applicable to financial institutions and the financial industry. These changes to the laws, regulations and other guidelines, including those affecting their interpretation or application, could have an impact on the Issuer and its affiliates and/or the Notes, in ways not yet known or certain. In particular, they could limit its product or service offering or enhance its competitors' ability to rival the Issuer's offering with their own. Also, in spite of the precautions the Issuer takes to prevent such an eventuality, failure to comply with laws, regulations and other guidelines could give rise to penalties and fines that could have an adverse impact on its financial results and reputation.

Business and Economic Risks. The Notes are subject to inherent risks arising from general and sector-specific economic and conditions in Russia and other markets, some of which may not always appear to be so inter-connected at the time.

Since mid-2007, the global economy and financial markets have experienced extreme levels of instability. This financial crisis led to various governments and central banks taking substantial measures to ease liquidity problems though volatility remains. At this point in time, there can be no assurance that similar or greater disruption may not occur in the future for similar or other reasons. Furthermore, the structure, nature and regulation of financial markets in the future may be fundamentally altered as a consequence of the global financial crisis, possibly in unforeseen ways. There can be no assurance as to how severe the global recession will be or as to how long it will last. Investors should note that a Reference Entity may deteriorate as a result of such global financial crisis and, if such crisis continues, may default. In recent months significant concerns have arisen regarding sovereign credit risk globally and, in particular, of many nations using the euro as their currency prompting bailout packages from some of the larger nations in Europe and the International Monetary Fund, particularly, in respect of the European sovereign debt crisis. Concerns have been raised in the marketplace about the ongoing viability of the euro as a currency and even the possibility of a breakup of the European Union, and what effect that could have on the global economy. There can be no assurances that such problems will not worsen. There can be no assurances that other problems may not arise or that the global financial condition will not worsen. Such events are likely to have an impact on both the Issuer and the Notes.

Prospective investors should ensure that they have sufficient knowledge and awareness of the global financial crisis and the economic situation and outlook as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in the Notes. In particular, prospective investors should take into account the considerable uncertainty as to how the global financial crisis and the wider economic situation will develop over time.

Any person who had held securities during the periods considered above, including credit-linked securities, would be highly likely to have suffered significant adverse effects as a result of such holding, including, but not limited to, major reductions in the value of those securities and a lack of liquidity. A significant number of credit events have occurred in respect of reference entities referenced in credit-linked notes. Many major market participants in both the developed and emerging markets, some similar in profile to the Reference Entities, experienced severe financial difficulties during these periods. Prospective investors should consider carefully whether they are prepared to take on similar risks by virtue of an investment in the Notes. The occurrence, continuation or worsening of such events could result in a complete loss of an investor's investment in the Notes.

Impact on Liquidity. The global financial crisis has had an extremely negative effect on the liquidity of financial markets generally and in the markets in respect of certain financial assets or in the obligations of certain obligors. This has particularly been the case with respect to the market for structured assets and the obligations of financial institutions. Such assets may either not be saleable at all or may only be saleable at significant discounts to their estimated fair value or to the amount originally invested. No assurance can be given that liquidity in the market generally, or in the market for any particular asset class

or in the obligations of any particular financial institution, will improve or that it will not worsen in the future. Such limited liquidity may have a negative impact on the value of the Notes and/or the value of obligations of each Reference Entity.

Concerns about the creditworthiness of the Dealer, the Determination Agent and the Fiscal Agent may also have an adverse effect on the Noteholders.

Impact on Credit. The global financial crisis has negatively affected the creditworthiness of a number of entities, in some cases to the extent of collapse or requiring government rescue. Such credit deterioration is widespread and is no longer confined to the financial services sector. The value of the Notes or of the amount of payments under them may be negatively affected by such widespread credit deterioration. Prospective investors should note that recoveries on assets of affected entities have in some cases been de minimis and that similarly low recovery levels may be experienced with respect to other entities in the future which may include the Reference Entities. Prospective investors should also consider the impact of a default by the Dealer, the Determination Agent and the Fiscal Agent.

Capitalised terms and expressions used in the body of this Prospectus and not otherwise defined herein have the meanings ascribed to them in the Conditions or the Schedules to this Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The provisions of the Base Prospectus (excluding (i) in accordance with Article 28(4) of the Regulation 809/2004/EC of 29 April 2004 implementing the Prospectus Directive (the “**Prospectus Regulation**”), all documents incorporated by reference therein which are not relevant for the investor (identified as documents 9 to 26 in Table A below) and (ii) the section entitled "Pro Forma Final Terms For The English Law Notes" on pages 173 to 206 of the Base Prospectus), the Base Prospectus Supplement dated 25 June 2012, which has previously been published and has been filed with the United Kingdom Financial Services Authority, shall be deemed to be incorporated in, and form part of, this Prospectus, together with the Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2012, the Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2012 and the Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2012, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained from the Issuer's office and from the Fiscal Agent as set out at the end of this Prospectus. Copies of all documents incorporated by reference in this Prospectus are also available on the Luxembourg Stock Exchange's website (www.bourse.lu). This Prospectus and the Registration Document will also be published on the Luxembourg Stock Exchange's website (www.bourse.lu).

TABLE A¹

Document number reference in the Base Prospectus	Document filed	Page number of the Base Prospectus
1.	Registration Document dated 7 June 2012	22
Morgan Stanley		
2.	Current Report on Form 8-K dated 15 May 2012	22
3.	Proxy Statement dated 5 April 2012	22
4.	Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2012	22
5.	Annual Report on Form 10-K for the year ended 31 December 2011	22
6.	Annual Report on Form 10-K for the year ended 31 December 2010	23
Morgan Stanley & Co. International plc		
7.	Report and Financial Statements for the period ended 31 December 2011	23
8.	Report and Financial Statements for the period ended 31 December 2010	24
Morgan Stanley (Jersey) Limited		
9.	Annual Report for the year ended 31 December 2011	24
10.	Annual Report for the year ended 31 December 2010	24-25
Morgan Stanley B.V.		
11.	Annual Report for the year ended 31 December 2011	25
12.	Annual Report for the 13-month period ended 31 December 2010	25
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16.	2008 English Law Note Conditions	25
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19.	2011 English Law Note Conditions	26
20.	2005 Securities Conditions	26
21.	2006 Securities Conditions	26
22.	2007 Securities Conditions	26
23.	2008 Securities Conditions	26
24.	2009 Securities Conditions	26
25.	2010 Warrants and Certificates Conditions	26
26.	2011 Warrants and Certificates Conditions	26

¹ Terms and/or reference used in this Table A shall have the meanings ascribed to them in the Base Prospectus in connection with the section titled "Incorporation by Reference" on pages 22 to 28 therein.

CROSS REFERENCE LIST

Specific items contained in "Documents Incorporated by Reference"

Base Prospectus dated 7 June 2012

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Base Prospectus Supplement dated 25 June 2012

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Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2012

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)	PAGE 3
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)	PAGE 4
CONDENSED CONSOLIDATION STATEMENT OF CASH FLOWS (UNAUDITED)	PAGE 5
CONDENSED CONSOLIDATION STATEMENTS OF CHANGES IN TOTAL EQUITY (UNAUDITED)	PAGES 6-7
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)	PAGES 8-90
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FINANCIAL DATA SUPPLEMENT (UNAUDITED)	PAGES 161-166
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Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2012

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The information incorporated by reference that is not included in the cross reference list is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

SELECTED FINANCIAL INFORMATION

Selected financial information from the unaudited financial statements of Morgan Stanley relating to the quarterly periods ended 30 September 2012 and 30 September 2011 taken from the Quarterly Reports on Form 10-Q for the periods ended 30 September 2012 and 30 September 2011, respectively.

Selected information from condensed consolidated statements of income

(U.S.\$ in millions, except share data and per share data)	Three months ended 30 September (unaudited)	
	2012	2011
Net revenues	5,289	9,892
Total non-interest expenses	6,769	6,214
Net income	(1,023)	2,293
Earnings (loss) per basic common share	(0.55)	(1.16)
Earnings (loss) per diluted common share	(0.55)	(1.15)
Average basic common shares outstanding	1,889,300,631	1,848,246,471
Average diluted common shares outstanding	1,889,300,631	1,868,743,943

Selected information from condensed consolidated statements of financial condition

(U.S.\$ in millions, except share data)	30 September 2012 (unaudited)	30 September 2011 (unaudited)
<u>Assets</u>		
Cash and due from banks	18,239	12,255
Interest bearing deposits with banks	18,347	41,652
Cash deposited with clearing organizations or segregated under federal and other regulations or requirements	28,547	30,864
Total financial instruments owned, at fair value	251,308	274,251
Securities available for sale, at fair value	40,498	27,697
Securities received as collateral, at fair value	12,811	10,899
Federal funds sold and securities purchased under agreements to resell	136,282	169,824
Securities borrowed	138,545	123,904
Receivables	63,578	54,630
Loans	24,344	13,453
Other investments	4,749	4,811
Premises, equipment and software costs	6,083	6,511
Goodwill	6,622	6,709
Intangible assets	3,905	4,370
Other assets	10,827	13,109
Total assets	<u>764,985</u>	794,939
<u>Liabilities and Equity</u>		
Deposits	70,757	66,184
Commercial paper and other short-term borrowings	2,123	2,881
Total financial instruments sold, not yet purchased, at fair value	124,887	121,964
Obligation to return securities received as collateral, at fair value	16,441	15,035
Securities sold under agreements to repurchase	116,220	110,053
Securities loaned	35,920	27,785
Other secured financings	18,173	22,156
Payables	127,987	152,396
Other liabilities and accrued expenses	14,561	17,298
Long-term borrowings	168,444	189,093
Total equity	65,170	70,094
Total liabilities and equity	764,985	794,939

TERMS AND CONDITIONS OF THE NOTES

The Terms and Conditions of the Notes shall consist of the terms and conditions of the English Law Notes set out on pages 73 to 163 in the Base Prospectus (the "**Conditions**") as supplemented by the provisions set out below (including the Schedules) (the "**Additional Conditions**"). All references below to numbered Sections and Paragraphs are, unless stated otherwise, to sections and paragraphs of the Conditions.

All provisions in the Conditions corresponding to items below which are indicated as not applicable, not completed or deleted shall be deemed to be deleted from the Conditions. References in the Conditions to the "Final Terms" shall be deemed to refer to the terms set out below.

1. Issuer: Morgan Stanley & Co. International plc
2. Series Number: 6220
3. Specified Currency or Currencies: USD
4. Aggregate Nominal Amount of the Notes:
 - (i) Series: USD 70,000,000
 - (ii) Tranche: Not Applicable
5. Issue Price: 100 per cent.
6. (i) Specified Denominations (Par): USD 200,000
 - (ii) Calculation Amount: USD 200,000
7. (i) Trade Date: 31 January 2013
 - (ii) Issue Date: 27 February 2013
 - (iii) Interest Commencement Date: Issue Date
 - (iv) Strike Date: Not Applicable
 - (v) Determination Date: Not Applicable
8. Maturity Date: Subject to (A) any early redemption as a result of (i) a Credit Event, (ii) a change in tax laws pursuant to Condition 16.3, (iii) an Event of Default or (iv) any illegality or force majeure event pursuant to Condition 23, or (B) an earlier purchase and cancellation of the Notes by the Issuer, the Maturity Date shall be the later of:
 - (a) 20 June 2016 (the "**Scheduled Maturity Date**"); and

(b) the Extended Maturity Date.

9. Interest Basis: 4.35 per cent. per annum Fixed Rate.
10. Redemption/Payment Basis: Credit-Linked Redemption, subject to the amendments set out in Schedule 1 (*Special Conditions*).
11. Change of Interest or Redemption/Payment Basis: Not Applicable
12. Put/Call Options: Not Applicable
13. Status of the Notes: Unsecured and unsubordinated, which rank *pari passu* among themselves and all other outstanding unsecured and unsubordinated obligations.
(*Condition 4*)
14. Method of distribution: Non-syndicated
15. **Fixed Rate Note Provisions** Applicable
(*Condition 5*)
- (i) Rate of Interest: 4.35 per cent. per annum
- (ii) Interest Period: As set out in Condition 2 and subject to the below.
Interest Periods shall be "Unadjusted" notwithstanding any adjustments following the application of the Following Business Day Convention in relation to Interest Payment Dates.
Interest will accrue during an Interest Suspension Period only to the extent set forth under Condition 5.2(d), as amended in these Additional Conditions.
For the avoidance of doubt, no interest will accrue on the Notes in respect of any period following the Scheduled Maturity Date in the case where the Maturity Date is later than the Scheduled Maturity Date.
- (iii) Interest Payment Dates: Subject to an Interest Suspension Period, the 20th day of June in each year. The first Interest Payment Date will occur on 20 June 2013 and the final Interest Payment Date will occur on the earliest of (a) the Interest Payment Date immediately preceding the First Event Determination Date (if any); (b) the Scheduled Maturity Date; and (c) the Early Redemption Date.
No interest will be paid on any Interest Payment Date which occurs during an Interest Suspension Period.
- (iv) Fixed Coupon Amounts: Save as otherwise provided herein, in respect of the Calculation Amount of each Note, an amount equal to:
- (A) the product of:
- (a) the Principal Amount,

	(b)	the Rate of Interest, and
	(c)	the Day Count Fraction,
		rounded in accordance with Condition 6.7,
		with the result divided by
	(B)	the Principal Amount divided by the Calculation Amount,
		with the result rounded down to the nearest cent.
	(v)	Broken Amount(s): Not Applicable
	(vi)	Day Count Fraction: 30/360
	(vii)	Other terms relating to the method for calculating interest for Fixed Rate Notes: As set out in Schedule 1 (<i>Special Conditions</i>)
16.	Floating Rate Note Provisions	Not Applicable
		(<i>Condition 6</i>)
17.	Zero Coupon Note Provisions	Not Applicable
		(<i>Condition 7</i>)
18.	Dual Currency-Linked Note Interest Provisions	Not Applicable
		(<i>Condition 8</i>)
19.	Equity Linked Note Interest Provisions	Not Applicable
20.	Commodity-Linked Note Interest Provisions	Not Applicable
21.	Currency-Linked Note Interest Provisions	Not Applicable
22.	Inflation-Linked Note Interest Provisions	Not Applicable
23.	Credit-Linked Note Interest Provisions	Applicable, subject to the amendments set out in Schedule 1 (<i>Special Conditions</i>).
24.	Property-Linked Note Interest Provisions	Not Applicable

25. **Fund-Linked Note Interest Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

26. **Call Option** Not Applicable
(Condition 16.5)

27. **Put Option** Not Applicable
(Condition 16.7)

28. **Final Redemption Amount of each Note** As set out in Schedule 2 (*General Definitions*).
(Condition 16.1)

29. **Dual Currency Redemption Provisions** Not Applicable
(Condition 8)

30. **Equity-Linked Redemption Provisions** Not Applicable
(Condition 10)

31. **Commodity-Linked Redemption Provisions** Not Applicable
(Condition 11)

32. **Currency-Linked Redemption Provisions** Not Applicable
(Condition 12)

33. **Inflation-Linked Redemption Provisions** Not Applicable
(Condition 13)

34. **Credit-Linked Redemption Provisions** Applicable, subject to the amendments set out in Schedule 1 (*Special Conditions*).
(Condition 20)

35. **Property-Linked Redemption Provisions** Not Applicable
(Condition 14)

36. **Fund-Linked Redemption Provisions** Not Applicable

(Condition 15)

37. **Early Redemption Amount upon Event of Default or early redemption**
(Conditions 16.3 and 22)

Early Redemption Amount(s) per Calculation Amount payable on redemption upon Event of Default or for taxation reasons or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

In respect of the Calculation Amount of each Note, an amount equal to the fair value of the Calculation Amount of such Note on the day falling two Business Days before the date fixed for redemption of the Note, as determined by the Determination Agent in good faith and in a commercially reasonable manner by reference to such factors that the Determination Agent considers relevant, including without limitation the then (a) interest rates, (b) the value of each embedded derivative and (c) the reasonable costs to the Issuer or its affiliates of unwinding any related hedging arrangements but (d) in the case of an Event of Default, disregarding any change in the creditworthiness of the Issuer since the Issue Date.

38. **Governing Law:** English law

GENERAL PROVISIONS APPLICABLE TO THE NOTES

39. **Form of Notes:** Registered Notes.
(Condition 3)

Global Note Certificate registered in the name of a nominee for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Note Certificates in accordance with its terms.

40. **Additional Business Centre(s) or other special provisions relating to Payment Dates:** Not Applicable

41. **Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):** Not Applicable

42. **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

43. **Details relating to Instalment Notes: amount of each instalment, date on which each** Not Applicable

payment is to be made:

- | | | |
|-----|--|--|
| 44. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 45. | Restrictions on free transferability of the Notes: | None |
| 46. | Other final terms: | See Schedule 1 (<i>Special Conditions</i>) |

DISTRIBUTION

- | | | |
|-----|---------------------------------------|---|
| 47. | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Stabilising Manager(s) (if any): | Not Applicable |
| 48. | If non-syndicated, name of Dealer: | Morgan Stanley & Co. International plc |
| 49. | U.S. Selling Restrictions: | Reg. S Compliance Category |
| 50. | Non-exempt offer: | Not Applicable |
| 51. | Additional selling restrictions: | <p>No action has been or will be taken by the Issuer, the Dealer, or any of their affiliates that would permit a public offering of the Notes, or possession or distribution of any offering material in relation thereto, in any jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus and any offering materials come and any purchaser are required by the Issuer, the Dealer, and any of their affiliates to comply, and will be deemed to represent and undertake that they will comply, with all applicable laws and regulations in each jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering materials, in all cases at their own expense.</p> <p>No public offering of the Notes, or possession or distribution of any offering material in relation thereto, is permitted in any jurisdiction where action for that purpose is required unless the relevant action has been taken.</p> <p>The Notes must not be offered or sold in any jurisdiction except to persons whose investment activities involve them in acquiring, holding, managing or disposing (as principal or agent) of investments of a nature similar to the securities and who are particularly knowledgeable in investment matters.</p> <p>In each member state of the European Economic Area which has implemented the Prospectus Directive (Directive 2003/71/EC), as amended by Directive 2010/73/EC, no offer of the Notes to the public (as defined for the purposes of such Directive and any implementing measures in any such member state) may be made, except in circumstances which do not result in any breach of such Directive and any such</p> |

implementing measures by the offeror, the Issuer, the Dealer and their respective affiliates. For this purpose an offer shall not be treated as not requiring the publication of a prospectus pursuant to Article 3 of the Prospectus Directive, or any corresponding provision of any such implementing measures solely by virtue of the application of Article 3(2)(b) (offer to fewer than 150 persons) or any corresponding provision of any such implementing measures.

The Dealer has represented, warranted and agreed that it has not offered or sold or otherwise transferred and will not offer or sell or otherwise transfer as part of their initial distribution or at any time thereafter any Note to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law. Information set forth in this Prospectus is not an offer, or an invitation to make offers, to sell, exchange or otherwise transfer, the Notes in the Russian Federation or to or for the benefit of any Russian person or entity. The Notes may not be sold or offered to or for the benefit of any person (including legal entities) that are resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law; it being understood and agreed that the Dealer may distribute this Prospectus to qualified investors (as defined under Russian law) in the Russian Federation in a manner that does not constitute an advertisement (as defined in Russian law) of Notes and may sell Notes to Russian qualified investors in a manner that does not constitute "placement" or "public circulation" of the Notes in the Russian Federation (as defined in Russian law). Since neither the issuance of the Notes nor a Russian securities prospectus in respect of the Notes has been registered, or is intended to be registered, with the Federal Service for Financial Markets of the Russian Federation, the Notes are not eligible for initial offering or public circulation in the Russian Federation.

These terms comprise the terms required for issue of the Notes described herein pursuant to the Program for the Issuance of Notes, Series A and B, Warrants and Certificates of Morgan Stanley.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these terms.

Signed on behalf of the Issuer:

By: _____

Duly authorised

SCHEDULE 1 – SPECIAL CONDITIONS

The Conditions (including, for these purposes, the Terms and Conditions of the Notes) shall be supplemented and modified by the following Special Conditions. In the event of any inconsistency between the Conditions and such Special Conditions, such Special Conditions shall prevail and the Conditions shall be amended accordingly.

(A) Condition 5.2 (*Accrual of Interest*) is deleted and replaced in its entirety as follows:

"Accrual of Interest.

Subject to paragraph 15 (*Fixed Rate Note Provisions*) of the Additional Conditions and Condition 20.3 (*Succession Event*) and in respect of the relevant Notes contemplated therein,

- (a) the Notes bear interest from, and including, the Interest Commencement Date to, but excluding, the Interest Cessation Date, at the Rate of Interest on the Principal Amount payable in arrear on each Interest Payment Date, subject as provided in Condition 18 (*Payments – Registered Notes or FTRO Notes*) and subject to paragraphs (b) to (d) below;
- (b) each Note will cease to bear interest as of the earliest of (i) the Scheduled Maturity Date, (ii) the Early Redemption Date, and (iii) the Interest Payment Date immediately preceding the First Event Determination Date in respect of such Note (if any such First Event Determination Date occurs) (such earliest date, the "**Interest Cessation Date**"). Notwithstanding the above, if a First Event Determination Date occurs on or prior to the first Interest Payment Date, then no interest shall accrue on the Notes;
- (c) for the avoidance of doubt, no interest will accrue on the Notes in respect of any period following the Scheduled Maturity Date in the case where the relevant Maturity Date is later than the Scheduled Maturity Date;
- (d) notwithstanding paragraph (a) above, during an Interest Suspension Period, no interest will accrue on the Notes and no Interest Amount will be payable on any Interest Payment Date which falls in an Interest Suspension Period, provided that if no Event Determination Date has occurred in respect of the relevant Credit Event Resolution Request Date or Potential Credit Event (as applicable) on or prior to the 14th calendar day following the end of the Interest Suspension Period, then:
 - (i) interest ("**Suspended Interest**") will be deemed to have accrued from (and including) the first day of the Interest Suspension Period to (and including) the last day of the Interest Suspension Period or, if earlier, to (but excluding) the Scheduled Maturity Date;
 - (ii) if an Interest Payment Date falls in such Interest Suspension Period, an amount in respect of the Interest Period relating to such Interest Payment Date shall be payable on the date ("**Suspended Interest Payment Date**") falling 15 Business Days after the end of such Interest Suspension Period; and
 - (iii) if an Interest Payment Date falls in the period between the end of such Interest Suspension Period and the Suspended Interest Payment Date, in addition to the amount (if any) under paragraph (ii) above, an amount of interest equal to any accrued but otherwise unpaid Suspended Interest shall be payable on such Suspended Interest Payment Date.

No additional interest on the amounts referred to in paragraphs (ii) and (iii) will accrue for the period of such Interest Suspension Period.

For the purposes of the foregoing, "**Interest Suspension Period**" means the period from (and including) the date of the occurrence of a Potential Credit Event or an Unsettled Credit Event, to (and including) the corresponding Tolling End Date; and

- (e) if, upon due presentation, payment of the Final Redemption Amount in respect of such Notes is improperly withheld or refused, such Notes 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 Notes up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the relevant Noteholders that it has received all sums due in respect of such Notes up to such seventh day (except to the extent that there is any subsequent default in payment)."

(B) Condition 20 (*Credit-Linked Notes*) is deleted and replaced in its entirety as follows:

"20.1 *Certain Notifications*

20.1.1 *Notification to Noteholders.* The Fiscal Agent, on behalf of the Issuer, or the Issuer, shall give notice to the Noteholders following the occurrence of (a) or (b) within the definition of "Extension Notice", in which case the relevant Notes will not be redeemed in full on the Scheduled Maturity Date. Failure to deliver such notice or failure of the recipient to receive such notice will not render such extension invalid nor any such failure lead to an Event of Default under Condition 22.1.2.

20.1.2 *Notification to the Fiscal Agent.* The Determination Agent shall deliver any Notice of Physical Settlement and any NOPS Amendment Notice, if applicable, to the Issuer and the Fiscal Agent (with instruction to promptly deliver a copy to the Noteholders through the Relevant Clearing System).

Any such notice delivered on or prior to 4:00 p.m. (London time) on a Business Day will be effective on such Business Day. Any such notice delivered after 4:00 p.m. (London time) on a Business Day will be deemed effective on the next following Business Day, regardless of the form in which it is delivered. For purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice. Furthermore, any failure to deliver any Notice of Physical Settlement or any NOPS Amendment Notice, if applicable, to a Noteholder or any failure of a Noteholder to receive such notice will not render such notice invalid.

20.2 *Occurrence of a Credit Event Trigger.* Subject to Condition 20.3 (*Succession Event*) and in respect of the relevant Notes contemplated therein, if a Credit Event occurs during the Credit Event Observation Period, the remaining provisions of this Condition 20.2 (*Occurrence of a Credit Event Trigger*) will apply.

On or as soon as reasonably practicable after the occurrence of a Credit Event during the Credit Event Observation Period in respect of the relevant Notes, the Determination Agent shall notify the Issuer and the Fiscal Agent of such occurrence during the Notice Delivery Period (such notice, a "**Credit Event Redemption Notice**") and may:

- (i) with respect to a Credit Event that occurred during the Credit Event Observation Period and to which the provisions specified in paragraph (a) of the definition of "Event Determination Date" apply, deliver both a Credit Event Notice and a Notice of Publicly Available Information to the Issuer and/or the Fiscal Agent, that are effective during the Notice Delivery Period;
- (ii) with respect to a Credit Event that occurred during the Credit Event Observation Period that is a Restructuring and to which the provisions specified in paragraph (b) of the definition of "Event Determination Date" apply, deliver a Credit Event Notice to the Issuer and/or the Fiscal Agent, that are effective on or prior to the Exercise Cut-off Date, provided however that a Notice of Publicly Available Information will be deemed to have been delivered following a DC Credit Event Announcement in respect of such Restructuring,

and shall notify the Issuer and/or the Fiscal Agent as soon as reasonably practicable following a Credit Event Trigger that the Notes with a principal amount equal to the Principal Amount (for the avoidance of doubt, subject to any adjustments contemplated in Condition 20.3 (*Succession Event*)) will each be redeemed by delivery of the Deliverable Obligations and/or payment of the Cash Settlement Redemption Amount (as applicable) in accordance with Condition 20.6 (*Physical Settlement; Cash Settlement Fallback*);

provided that failure to deliver any notice of the above or the failure of the recipient to receive such notice will not render the Credit Event Trigger contemplated by this Condition 20.2 (*Occurrence of a Credit Event Trigger*) invalid or prejudice any rights of the Issuer set forth in the Conditions.

The "**Credit Event Trigger**" shall occur on the First Event Determination Date. Subject to Condition 20.3 (*Succession Event*) and in respect of the relevant Notes contemplated therein and the Credit Derivatives Definitions, for the avoidance of doubt, not more than one Credit Event Trigger may occur in respect of the Notes.

20.3 *Succession Event*. Following the occurrence of a Succession Event on or after the relevant Succession Event Backstop Date, the Determination Agent shall make such adjustments as shall be necessary to reflect the determinations of the Determination Agent or the determinations of the Credit Derivatives Determinations Committee (a "**Committee Determination**"), as applicable. Where a Succession Event results in more than one Successor, the rights and obligations of the Issuer and any Noteholder shall be construed as if the Issuer had issued to such Noteholder the same number of new Notes, in exchange for each Note existing prior to the Succession Event, as there are Successors, with the following terms:

- (a) each new Note will be linked to a Reference Portfolio that comprises the Reference Entities not subject to the Succession Event and one of the Successors of the Reference Entity that is the subject of the Succession Event;
- (b) in respect of a new Note, the Principal Amount will be a fraction of the Principal Amount of the original Note, as determined by the Determination Agent in good faith and in a commercially reasonable manner such that the aggregate of the Principal Amounts of each such new Note shall be equal to the Principal Amount of the original Note; and
- (c) all other terms and conditions of the original Notes will be replicated in each new Note except to the extent that modification is required, as determined by the Determination Agent in good faith and in a commercially reasonable manner, to preserve the economic effects of the original Note in the new Notes (considered in the aggregate).

For the avoidance of doubt, the deemed issuance of new Notes is solely for the purpose of calculating the amounts due on the Notes and no new Notes will actually be issued. If a First Event Determination Date occurs subsequent to a Succession Event and the deemed issuance of the new Notes as set out above, only those new Notes for which the First Event Determination Date occurs will be subject to Condition 20.2 (*Occurrence of a Credit Event Trigger*) relating to such First Event Determination Date. The new Notes for which a First Event Determination Date does not occur shall be deemed to remain outstanding. Such unaffected Notes may still be subject to a subsequent Event Determination Date and interest shall accrue and be paid on the relevant Principal Amount of each such new Note as provided in these Additional Conditions.

With respect to a Reference Portfolio, if any Reference Entity (the "**Surviving Reference Entity**") (other than the Reference Entity that is subject to the Succession Event) would be a Successor to any other Reference Entity (the "**Legacy Reference Entity**") pursuant to a Succession Event, such Surviving Reference Entity shall be deemed a Successor to the Legacy Reference Entity.

In each case the same shall be notified to the Noteholders thereafter. Failure to so notify the Noteholders will in no way affect the validity of any such amendments.

For the avoidance of doubt, nothing in this provision shall be construed to mean that the Notes have actually been divided into separate issuances for any purpose, including transfer.

20.4 Credit Derivatives Determinations Committee Decisions. If, within 90 days of written notice of a determination of the Determination Agent but prior to the Maturity Date or, if applicable, the NOPS Date or the Pricing Date, a Committee Determination is made that is inconsistent with a determination of the Determination Agent, such determination of the Determination Agent shall be deemed to have been amended on and from the date of such Committee Determination, to be that of the Committee Determination. The Determination Agent shall, within a reasonable time period, make all necessary amendments to the terms of the relevant Notes or undertake all necessary actions to give effect to the adoption of the Committee Determination.

For the avoidance of doubt, any Committee Determination not to consider a matter shall not preclude the Determination Agent from making a determination on such matter.

All determinations made by the Credit Derivatives Determinations Committee will be governed by the Credit Derivatives Determinations Committees Rules published by ISDA and any Credit Derivatives Auction Settlement Terms published by ISDA. The Credit Derivatives Determinations Committees Rules and the Credit Derivatives Auction Settlement Terms may be re-published and amended from time to time by ISDA and the particular provisions thereof applicable to the relevant Notes will be those in effect at the time of the relevant determination.

In addition, if (i) the Credit Derivatives Determinations Committee or any other governing ISDA committee (or successor thereto) amends or supplements the Credit Derivatives Definitions or (ii) a protocol published by ISDA amending or supplementing the Credit Derivatives Definitions is adhered to by the Issuer or any affiliate that is hedging the Issuer's obligations under the relevant Notes that the Determination Agent reasonably determines in good faith, in the case of either paragraph (i) or paragraph (ii), has retroactive impact on credit default swaps and other transactions customarily governed by the Credit Derivatives Definitions ("**Customary Credit Derivative Transactions**") and are omitted from, or inconsistent with, the terms of the Notes (any such amendment, an "**ISDA Amendment**"), the Determination Agent shall make the amendments to the terms of the relevant Notes that it determines in good faith are necessary in order to give effect to the ISDA Amendment in a manner that is consistent with changes incorporated into, or made to, Customary Credit Derivative Transactions as a consequence of such ISDA Amendment. The Determination Agent will give prompt written notice to the Issuer and the Fiscal Agent of such amendments to the terms of the relevant Notes and the Issuer and the Fiscal Agent will amend the terms of the relevant Notes to be effective as of the date specified by the Determination Agent.

20.5 Maturity: Subject to and in accordance with the terms and conditions set out herein (including without limitation Conditions 20.2 (*Occurrence of a Credit Event Trigger*), 20.3 (*Succession Event*), 20.6 (*Physical Settlement; Cash Settlement Fallback*)) and unless previously redeemed or purchased and cancelled or unless the First Event Determination Date has occurred, each Note will mature and will be redeemed on the Maturity Date, and the Issuer will on the Maturity Date pay or cause to be paid, for value on the Maturity Date, the Final Redemption Amount, in each case in respect of such Note to the Noteholder thereof. Payment of any applicable Taxes and Redemption Expenses shall be made by the relevant Noteholder, and the Issuer shall not have any liability in respect thereof.

20.6 Physical Settlement; Cash Settlement Fallback: If the Conditions to Settlement are satisfied during the Notice Delivery Period, the Notes may, at the option of the Issuer, be redeemed on or prior to the Physical Settlement Date by delivery of the Deliverable Obligations comprising the Deliverable Amount; provided that if the Determination Agent determines that at any time prior to the Scheduled Physical Settlement Date and Delivery of the Deliverable Obligations described in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, a Physical Settlement Limitation Event (the "**Relevant Physical Settlement Limitation Event**") has occurred due to an event beyond the control of the Issuer, the Issuer shall redeem each of the Notes by:

- (a) in respect of all the Deliverable Obligations specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, that were not at any time

affected by the Relevant Physical Settlement Limitation Event, Delivery of each such Deliverable Obligation on a pro rata basis in respect of those Notes on or prior to the Physical Settlement Date;

- (b) in respect of all the Deliverable Obligations specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, that were at any time affected by the Relevant Physical Settlement Limitation Event which has ceased to apply to such Deliverable Obligations prior to the relevant Pricing Date, Delivery of each such Deliverable Obligation on a pro rata basis in respect of those Notes for which it is possible to effect Delivery not later than the first Business Day after the later of:
 - (i) the Scheduled Physical Settlement Date, and
 - (ii) the date the relevant Physical Settlement Limitation Event has ceased in respect of the relevant Deliverable Obligations; and
- (c) subject to paragraph (b) above, payment of the Cash Settlement Redemption Amount on the Cash Settlement Date in respect of the Deliverable Obligations that cannot be Delivered (the "**Undeliverable Obligations**") due to the Relevant Physical Settlement Limitation Event which is still continuing as at the relevant Pricing Date;

provided that the Issuer may, without duplication, pay a residual cash amount to each Noteholder representing the relevant Final Price of any fractions of Deliverable Obligations comprising the Deliverable Amount.

If the Conditions to Settlement are satisfied and the Notes become redeemable in accordance with this Condition 20.6 (*Physical Settlement; Cash Settlement Fallback*), upon Delivery of the relevant Deliverable Obligations on the Delivery Date and/or payment of the aggregate Cash Settlement Redemption Amounts on the Cash Settlement Date (as applicable) the Issuer shall have discharged its obligations in respect of such Notes and shall have no other liability or obligation whatsoever in respect thereof. The value of the aggregate of such Deliverable Obligations Delivered and/or such Cash Settlement Redemption Amounts (as applicable) may be less than the principal amount of such Notes. Any shortfall shall be borne by the Noteholders, and no liability shall attach to the Issuer."

20.7 Modifications, Amendments and Adjustments. Any references in the Conditions to the Determination Agent making any modifications, amendments and/or adjustments to the terms of the Notes shall be construed as references to the Determination Agent giving notice of the proposed modifications, amendments and/or adjustments to the Issuer which shall, following receipt of such notice, use its reasonable endeavours to effect those modifications, amendments and/or adjustments in accordance with the Conditions, provided that for this purpose all such modifications, amendments and/or adjustments shall be deemed to be of a formal, minor or technical nature and the Noteholders shall be deemed to have consented to such modifications, amendments and/or adjustments.

(C) **Taxation.**

Condition 21 (*Taxation*) is deleted and replaced in its entirety as follows:

"21. **TAXATION**

21.1 *Payments:* All payments of principal and interest in respect of the Notes shall be made free and clear of any withholding for or on account of any present or future tax, assessment or governmental charge imposed upon the Issuer by any applicable jurisdiction having the power to tax the Issuer or any political subdivision or taxing authority thereof or therein, unless such withholding is required by law. In that event, such payments of principal and interest will be made net of the required withholding and the Issuer will not be required to make any additional payments to any of the Noteholders with respect to any amounts so withheld.

21.2 If withholding or deduction of taxes is required by law, payments on the Notes will be made net of applicable withholding taxes, and the Issuer will not be required to pay any additional amounts to non-U.S. holders with respect to any taxes withheld.

Morgan Stanley is not qualified to give legal, tax or accounting advice to its clients and does not purport to do so in the Prospectus. Noteholders are urged to seek the advice of their own professional advisers about the consequences of the proposals contained herein.

US Treasury Circular 230 Notice - Morgan Stanley does not render advice on tax and tax accounting matters to Noteholders. This material was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws.

21.3 *Luxembourg withholding tax considerations:*

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

(i) **Non-resident Noteholders**

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (for purposes of this paragraph (i) only, the "**Laws**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

Under the Laws implementing the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is a resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is levied at a rate of 35 per cent. as of 1 July 2011. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

(ii) **Resident Noteholders**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (for purposes of this paragraph (ii) only, the "**Law**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be 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. Responsibility for the withholding of the tax will be assumed by the Luxembourg

paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to a withholding tax of 10 per cent.

21.4 Disclosure: Notwithstanding any other express or implied agreement, arrangement, or understanding to the contrary, the Issuer and each Noteholder (and their respective employees, representatives, and other agents) may disclose to any and all persons, without limitation of any kind, the U.S. Federal income tax treatment of the Notes and any fact relating to the structure of the Notes that may be relevant to understanding such tax treatment, and all materials of any kind (including opinions or other tax analyses) that are provided to such person relating to such tax treatment and tax structure, except to the extent confidentiality is reasonably necessary to comply with securities laws (including, where applicable, confidentiality regarding the identity of an issuer of securities or its affiliates, agents and advisors)."

- (D) **Definitions.** Capitalized terms used in the Conditions will have the meanings given to them in the Base Prospectus and Schedules 2, 3, 4, 5 and 6. Capitalized terms used herein but not otherwise defined in the Base Prospectus and Schedules 2, 3, 4, 5 and 6 shall have the meaning ascribed to them in the 2003 ISDA Credit Derivatives Definitions as supplemented by (i) the May 2003 Supplement to the ISDA Credit Derivatives Definitions, (ii) the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions published on 7 March 2005 (including the Additional Provisions for LPN Reference Entities (published on October 3, 2006)), and (iii) the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (the "**July 2009 Supplement**"), each as published by ISDA (together, the "**Credit Derivatives Definitions**"). For the avoidance of doubt, the Credit Derivatives Physical Settlement Matrix referred to in the 2005 Matrix Supplement shall, for the purposes of the Notes, be a reference to the version current as of the Trade Date. For the purposes hereof, the Credit Derivatives Definitions shall be deemed to be incorporated herein and any references to "Notifying Party" or "Calculation Agent" in any defined terms in the Credit Derivatives Definitions which are incorporated herein shall be construed as references to the Determination Agent. To the extent of any inconsistency between the terms of the Notes and the Credit Derivatives Definitions, the former shall prevail..
- (E) **Determination Agent and Issuer.** All determinations, considerations and decisions by the Determination Agent will, in the absence of manifest error, wilful default or bad faith, be final and conclusive for all purposes and binding on the Issuer and the Noteholders. Any reference in the Conditions to the Issuer or Determination Agent acting "in its sole and absolute discretion" shall be deemed to be replaced with references to the Issuer or Determination Agent acting "in good faith and in a commercially reasonable manner".

SCHEDULE 2 – GENERAL DEFINITIONS

Affected Reference Entity:	The Reference Entity in respect of which the First Event Determination Date has occurred.
Auction:	With respect to a Credit Event, a market-wide auction held on terms published by ISDA to settle credit derivative transactions referencing the Reference Entity in respect of which the First Event Determination Date has occurred.
Auction Final Price:	With respect to an Affected Reference Entity, the Auction Final Price determined pursuant to the relevant Credit Derivatives Auction Settlement Terms.
Business Day:	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 New York or London.
Credit Event Notice:	A notice from the Determination Agent to the Issuer and the Fiscal Agent on or prior to the end of the Notice Delivery Period giving notice that, in relation to a Reference Entity, a Credit Event has occurred during the Credit Event Observation Period.
Credit Event Observation Period:	The period from and including the Credit Event Backstop Date to and including the Extension Date.
Credit Events:	<p>Failure to Pay Grace Period Extension: Applicable</p> <p>Restructuring Multiple Holder Obligation: (i) Not Applicable with respect to Obligation Category “Bonds”; and (ii) Applicable with respect to Obligation Category “Loans”.</p> <p>Repudiation/Moratorium</p> <p>Obligation Acceleration</p> <p>Bankruptcy</p> <p>If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:</p> <ul style="list-style-type: none">(a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation;(b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation howsoever described;(c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, howsoever described; or(d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by

any monetary or other authority, howsoever described.

Certain Credit Event and other related definitions are set out in Schedule 3 (Credit Event Definitions).

- Determination Agent:** Morgan Stanley & Co. International plc or its affiliates (including any successor thereto).
- Early Redemption Date:** The date fixed for any early redemption of the Notes pursuant to the Conditions other than as a result of a Credit Event.
- Event Determination Date:** With respect to a Credit Event that occurred during the Credit Event Observation Period:
- (a) subject to paragraph (b) below, if neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, the first date on which both the Credit Event Notice and the Notice of Publicly Available Information are delivered by the Determination Agent to the Issuer and/or the Fiscal Agent and are effective during the Notice Delivery Period; or
 - (b) notwithstanding paragraph (a) above, if a DC Credit Event Announcement has occurred on or after the Trade Date and on or prior to the Extension Date, the Credit Event Resolution Request Date, if:
 - (i) the relevant Credit Event is not a Restructuring; or
 - (ii) (y) the relevant Credit Event is a Restructuring; and
 - (z) the Credit Event Notice is delivered by the Determination Agent to the Issuer and/or the Fiscal Agent and is effective on or prior to the Exercise Cut-off Date,

provided that in the case of paragraph (a), such date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) where, for the purposes of this determination only, such Notice Delivery Period is determined without taking into account such occurrence; and provided further, with respect to paragraph (a) above, if the Notice Delivery Period is extended as a result of a Potential Credit Event, any Credit Event Notice or Notice of Publicly Available Information may only be delivered with respect to the particular event that gave rise to such Potential Credit Event; and

provided further that in the case of paragraph (b):

- (Y) if any Delivery Date or Pricing Date has occurred as of the date on which the DC Credit Event Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the portion of the Principal Amount, if any, with respect to which no Delivery Date or Pricing Date has occurred; and
- (Z) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered unless the Restructuring specified in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date.

For the avoidance of doubt, an event occurring prior to the Trade Date may result in a Credit Event Trigger since the Credit Event Backstop Date, which is the date on which the Credit Event Observation Period commences, begins 60 days prior to the Credit Event Resolution Request Date or the date on which the Credit Event Notice and the Notice of Publicly Available Information are delivered under the terms of the Notes.

If, in accordance with the provisions above, following the determination of an Event Determination Date, such Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Event Determination Date or (B) not to have occurred, the Determination Agent will make any relevant adjustments (including any necessary amendments in relation to interest) to reflect any change that may be necessary to the amounts previously calculated.

For the avoidance of doubt, (a) an Event Determination Date with respect to a Credit Event (other than Restructuring) may occur without the delivery of a Credit Event Notice; but (b) a Credit Event Notice must still be delivered in order for an Event Determination Date to occur with respect to a Restructuring. Following the Credit Event Trigger, the relevant Deliverable Obligations and/or the Cash Settlement Redemption Amount, as the case may be, will be calculated or determined, as the case may be, by the Determination Agent, in accordance with the provisions described herein.

Extended Maturity Date: Where there is a Potential Credit Event or an Unsettled Credit Event on the Scheduled Maturity Date and an Extension Notice(s) has been given and/or a Credit Event Redemption Notice has been given in each case by the Determination Agent to the Issuer and/or the Fiscal Agent:

- (a) in the absence of a Credit Event Trigger, the date which is five Business Days following the last day of the Notice Delivery Period; and
- (b) following a Credit Event Trigger, the latest of: (i) the Physical Settlement Date, (ii) the Latest Permissible Physical Settlement Date (if any) and (iii) the Cash Settlement Date (if any).

Extension Date: The later of:

- (a) the Scheduled Maturity Date; and
- (b) the Tolling End Date in respect of the relevant Reference Entity.

Extension Notice: A notice from the Determination Agent to the Issuer and/or the Fiscal Agent during the Notice Delivery Period giving notice of the following in relation to a Reference Entity that:

- (a) a Potential Credit Event has occurred on or prior to the Scheduled Maturity Date; or
- (b) an Unsettled Credit Event has occurred during the Notice Delivery Period.

For the avoidance of doubt, the Determination Agent may give more than one Extension Notice. If more than one Extension Notice has been given, the last in time shall prevail. A failure to notify by the Determination Agent or the Fiscal Agent to the relevant recipient shall

not render such extension invalid.

Final Price:	In respect of the relevant Deliverable Obligations or Undeliverable Obligations (as applicable), the price, expressed as a percentage determined using the Valuation Method, determined by the Determination Agent in accordance with the Credit Derivatives Definitions (as amended by the provisions herein, including Schedule 5 hereto) with respect to each such Deliverable Obligation or Undeliverable Obligation (as applicable) as modified herein.
Final Redemption Amount:	In respect of the principal amount of each Note, the Calculation Amount on the Maturity Date, pursuant to Condition 16.1 (<i>Scheduled Redemption</i>) and subject to the occurrence of a First Event Determination Date, an Early Redemption Date or an earlier purchase and cancellation by the Issuer and Condition 20 (<i>Credit-Linked Notes</i>), as amended in this Prospectus.
First Event Determination Date:	Subject to Condition 20.3 (<i>Succession Event</i>), the earliest Event Determination Date that occurs with respect to any Reference Entity in the Reference Portfolio under the terms of the relevant Notes.
Funding Costs:	The loss of bargain and cost of funding, taking into account the funding levels of the Issuer or its affiliates at the relevant time, as determined by the Determination Agent.
Hedging Costs:	The reasonable costs to the Issuer or its affiliates of terminating, liquidating, obtaining or re-establishing any hedge (including, without limitation, any credit and/or currency hedging arrangements) or related trading position, as determined by the Determination Agent acting in good faith and in a commercially reasonable manner.
Notice Delivery Period:	The period from and including the Trade Date to and including the Scheduled Maturity Date or, if applicable, the date that is fourteen calendar days after the relevant Tolling End Date.
Physical Settlement Limitation Event:	Means the occurrence of any of the following: <ul style="list-style-type: none">(a) it is impossible, impractical or illegal (i) for the Issuer to Deliver or accept Delivery of all or any of the Deliverable Obligations, or (ii) for the Noteholder to accept Delivery of all or any of the Deliverable Obligations (including, without limitation, and in the case of both (i) and (ii) above, as a result of the failure of the relevant clearing system or due to any law, regulation or court order);(b) the Issuer has not received from the relevant Noteholder the Settlement Account Notice on or before the third Business Day following the date on which the Notice of Physical Settlement or, if material changes would be required to such Settlement Account Notice as a result of the terms of a NOPS Amendment Notice, any NOPS Amendment Notice (as applicable) is effective, as applicable; or(c) the Issuer is otherwise unable to acquire any of the Deliverable Obligations.
Potential Credit Event:	Means the occurrence of a Potential Failure to Pay or a Potential Repudiation/Moratorium on or prior to the Scheduled Maturity Date.
Principal Amount:	USD 70,000,000
Reference Entities:	(a) JSC "GAZPROM";

- (b) Joint Stock Company Russian Railways; and
- (c) JSC VTB Bank,

and any Successors as defined in the Credit Derivatives Definitions (which definition includes both Successors identified by the Determination Agent and Successors Resolved by the Credit Derivatives Determinations Committee) in respect of Succession Events which occur on or after the relevant Succession Event Backstop Date. Each of (a), (b) and (c) above, a "**Reference Entity**".

Information about the Reference Entities (including past and future performance and volatility) is available on the following websites:

JSC "GAZPROM":

<http://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/company-summary.html?fourWayKey=US3682872078USUSDIOBE>

Joint Stock Company Russian Railways:

http://eng.rzd.ru/static/public/rzdeng?STRUCTURE_ID=21

JSC VTB Bank:

<http://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/company-summary.html?fourWayKey=US46630Q2021USUSDIOBE>

Reference Obligation:

As of the Trade Date, in respect of each Reference Entity, each Reference Obligation set forth on the relevant LPN Reference Obligations List, as published by Markit Group Limited, or any successor thereto, which list is currently available at: <http://www.markit.com/marketing/services.php>, any Additional LPN, and each Additional Obligation.

Reference Portfolio:

All Reference Entities, subject to Condition 20.3 (*Succession Events*) as amended in these Additional Conditions.

Settlement Suspension:

If, following the occurrence of an Event Determination Date in accordance with paragraph (a) of the definition of "Event Determination Date", but prior to any Delivery Date or the date on which the Final Price has been determined in respect of the relevant Reference Entity, ISDA publicly announces that (i) the conditions to convening a Credit Derivatives Determinations Committee in order to determine whether or not a Credit Event has occurred with respect to such Reference Entity are satisfied in accordance with the Rules, or (ii) an Auction will be held in respect of such Reference Entity, the provisions of the relevant Notes that pertain to valuation and settlement shall toll and remain suspended until such time as ISDA subsequently publicly announces that (x) the relevant Credit Derivatives Determinations Committee has Resolved the matters being considered at the Credit Derivatives Determinations Committee or Resolved not to determine such matters or (y) that the Auction Final Price has been determined, as applicable. During such suspension period (including in accordance with Condition 5.2 (*Accrual of Interest*)), the Determination Agent is not obliged to, nor is it entitled to, take any action in connection with the settlement of the Notes. Once ISDA has publicly announced that (i) the relevant Credit Derivatives Determinations Committee has Resolved whether or not a Credit Event has occurred with respect to such Reference Entity, or has Resolved not to determine such matters, or (ii) the Auction Final Price with respect to the relevant Obligations of such Reference Entity has been determined, as applicable, the relevant provisions that pertain to valuation and settlement that have previously tolled or been suspended shall resume on

the Business Day following such public announcement by ISDA with the Determination Agent having the benefit of the full day notwithstanding when the tolling or suspension began. The Determination Agent shall inform the Issuer and the Fiscal Agent of the terms of any such Settlement Suspension.

Tolling End Date:

In respect of a Reference Entity:

- (a) the Repudiation/Moratorium Evaluation Date if (i) a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date and (ii) the Repudiation/Moratorium Extension Condition is satisfied;
- (b) the Grace Period Extension Date, if a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date;
- (c) where Settlement Suspension has occurred following the occurrence of an Event Determination Date in accordance with paragraph (a) of the definition of "Event Determination Date" but prior to a Delivery Date or the date on which the relevant Final Price has been determined in respect of the Affected Reference Entity, the Tolling End Date shall be the Business Day following the date on which ISDA makes a determination or determines not to make a determination with respect to such event as a result of which the relevant provisions of the Credit Derivatives Definitions that had previously tolled or been suspended resume in accordance with the Credit Derivatives Definitions or if a DC Credit Event Announcement occurs, the Business Day following the date on which the Auction Final Price has been determined or an Auction Cancellation Date has occurred, as applicable; and
- (d) where a Credit Event Consideration Request Date has occurred, the Tolling End Date shall be the date on which a DC Credit Event Announcement or DC No Credit Event Announcement is made or the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether a Credit Event has occurred.

Transaction Type:

In respect of each Reference Entity, Emerging European Corporate LPN

Unsettled Credit Event:

Means (i) a Credit Event in respect of the Affected Reference Entity where an Event Determination Date has occurred but the last Physical Settlement Date or Cash Settlement Date with respect to such Reference Entity has not occurred or (ii) effective notice to ISDA requesting that a Credit Derivatives Determinations Committee be convened to determine whether a Credit Event has occurred and in relation to which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information (a "**Credit Event Consideration Request Date**") and the Credit Derivatives Determinations Committee has not Resolved whether or not a Credit Event has occurred or Resolved not to make such a determination with respect to such event (in each case, such entity, an "**Unsettled Reference Entity**").

USD:

The lawful currency of the United States of America.

SCHEDULE 3 – CREDIT EVENT DEFINITIONS

- Bankruptcy:** Means a Reference Entity:
- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
 - (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
 - (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
 - (d) institutes or 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, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition:
 - (i) 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
 - (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof;
 - (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
 - (f) 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;
 - (g) 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 thirty calendar days thereafter; or
 - (h) 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 paragraphs (a) to (g) (inclusive) above.
- Conditions to Settlement:** All of the Conditions to Settlement shall be deemed to be satisfied by the delivery, following the occurrence of the First Event Determination Date, of a Notice of Physical Settlement.
- Credit Event Backstop Date:** With respect to any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (ii) thereof):
- (a) as determined by the Credit Derivatives Determinations Committee, the date that is 60 calendar days prior to the Credit Event Resolution Request Date; or
 - (b) otherwise, as determined by the Determination Agent, in good faith

and in a commercially reasonable manner, the date that is 60 calendar days prior to the earlier of:

- (i) the first date on which both the Credit Event Notice and the Notice of Publicly Available Information are delivered by the Determination Agent to the Fiscal Agent and/or the Issuer and are effective during the Notice Delivery Period; and
- (ii) in circumstances where (X) the conditions to convening the Credit Derivatives Determinations Committee to Resolve the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied, (Y) the Credit Derivatives Determinations Committee has Resolved not to determine such matters and (Z) the Credit Event Notice and the Notice of Publicly Available Information are delivered by the Determination Agent to the Fiscal Agent and/or the Issuer and are effective not more than fourteen calendar days after the day on which ISDA publicly announces that the Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date.

The Credit Event Backstop Date shall not be subject to adjustment if such day is not a Business Day.

Default Requirement: USD 10,000,000.

Failure to Pay: Means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

Grace Period:

- (a) Subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if Grace Period Extension is specified as applicable to a Reference Entity, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time) and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time), the Grace Period shall be deemed to be the lesser of such grace period and thirty calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applicable to a Reference Entity, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.

Grace Period Business Day: A day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

Grace Period Extension Date:	If (a) Grace Period Extension is specified as applicable to a Reference Entity and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time), the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay.
Multiple Holder Obligation:	Means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a Restructuring Credit Event provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (ii) above.
Obligation Acceleration:	Means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.
Obligation Currency:	Means the currency or currencies in which an Obligation is denominated.
Obligations:	With respect to a Reference Entity (a) the Reference Obligation specified herein and (b) any obligation of such Reference Entity (either directly or as provider of any Qualifying Affiliate Guarantee or, if All Guarantees is specified in the Credit Derivatives Physical Settlement Matrix as being applicable in relation to such Reference Entity, as provider of any Qualifying Guarantee) which falls within the Obligation Category and has the Obligation Characteristics specified in relation to the Transaction Type applicable to such Reference Entity as set out in the Credit Derivatives Physical Settlement Matrix.
Payment Requirement:	USD 1,000,000
Potential Repudiation/Moratorium:	Means the occurrence of an event described in paragraph (i) of the definition of Repudiation/Moratorium.
Repudiation/Moratorium:	Means the occurrence of both of the following events: (i) an authorised officer of a Reference Entity or a Governmental Authority (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (y) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement and (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.
Repudiation/Moratorium Evaluation Date:	If a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time), (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days

after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied.

**Repudiation/
Moratorium Extension
Condition:**

The Repudiation/Moratorium Extension Condition is satisfied (i) if ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time) or (ii) otherwise, by the delivery by the Determination Agent to the Issuer of a Repudiation Moratorium Extension Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date. In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Maturity Date (determined by reference to Greenwich Mean Time).

Restructuring:

- (a) Means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of (i) the Credit Event Backstop Date and (ii) the date as of which such Obligation is issued or incurred:
- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
 - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
 - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
 - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

- (b) Notwithstanding the above provisions, none of the following shall constitute a Restructuring:
 - (i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
 - (ii) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a)(i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
 - (iii) the occurrence of, agreement to or announcement of any of the events described in items paragraphs (a)(i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of a Reference Entity.
- (c) The term "**Obligation**" shall be deemed to include Underlying Obligations for which a Reference Entity is acting as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to a Reference Entity in the first paragraph of the definition of Restructuring above shall be deemed to refer to the Underlying Obligor and the reference to a Reference Entity in the second paragraph of the definition of Restructuring above shall continue to refer to such Reference Entity.

SCHEDULE 4 – PHYSICAL SETTLEMENT PROVISIONS

Currency Rate: The rate determined by the Determination Agent equal to (i) if one or more Deliverable Obligations are denominated in a currency other than USD, the rate of conversion of such currency into USD determined by reference to the Currency Rate (expressed as the number of USD per unit of such currency, and as determined in accordance with the Credit Derivatives Definitions without taking into account the terms set forth in these Additional Conditions and as if Settlement Currency were deemed to be USD); or (ii) in all other circumstances, 1.

Deliverable Amount: In respect of the Calculation Amount of each Note, Deliverable Obligations as selected by the Determination Agent with an outstanding principal balance in an aggregate amount as of the relevant Delivery Date equal to the greater of:

- (x) zero; and
- (y) (a) the Calculation Amount, less
 - (b) in respect of the Calculation Amount of each Note, the relevant pro rata amount of the aggregate principal amount of Deliverable Obligations in respect of which the aggregate of the products, in respect of each such Deliverable Obligation, of (A) the relevant principal amount of the relevant Deliverable Obligation and (B) the Final Price in respect of such Deliverable Obligation, is equal to the aggregate of:
 - (i) in the event, in respect of the relevant First Event Determination Date that is the subject to the relevant physical settlement, an Auction Final Price has been determined prior to any Delivery Date or Pricing Date hereunder, any Non-Auction Delivery Costs, and
 - (ii) the Hedging Costs and any Funding Costs at such time, in each case, related to the redemption of the Notes as a result of the relevant Credit Event,

in each case, as determined by the Determination Agent in good faith and in a commercially reasonable manner on or about the related Delivery Date; provided that if an obligation by its terms represents or contemplates an obligation to pay an amount greater than the outstanding principal balance of such obligation as of the relevant Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the outstanding principal balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

If applicable, the Issuer may, without duplication, pay a residual cash amount to each Noteholder representing the relevant Final Price of any fractions of Deliverable Obligations comprising the Deliverable Amount.

Deliverable Obligations: The Reference Obligation (subject to section 2.15(b) of the Credit Derivatives Definitions) and/or any obligation of the relevant Reference Entity included in the Deliverable Obligation Category and having the Deliverable Obligation Characteristics as set out in the Credit Derivatives Physical Settlement Matrix in respect of the relevant Transaction Type, as selected by the Determination Agent in good faith and in a commercially reasonable manner.

Non-Auction Delivery If, for any reason outside of the Issuer's and/or any of its affiliates' control,

Costs:	the Issuer and/or its affiliates are unable to acquire at or below the Auction Final Price all Deliverable Obligations they are obligated to deliver under any and all of its obligations (such obligations including but not limited to the Notes), the Issuer and/or its affiliates will use reasonable efforts to secure delivery of as many Deliverable Obligations as possible at or below the Auction Final Price and the Non-Auction Delivery Costs shall be any delivery costs determined by the Determination Agent based on the excess (or, where there is more than one relevant Deliverable Obligation, the weighted average excess) of the lowest Full Quotation (where Quotation Method is Offer) from at least four dealers at which each Deliverable Obligation to be Delivered in relation to the Notes is acquired above the Auction Final Price, provided that if, for any reason, Full Quotations cannot be obtained from four dealers, the price at which each Deliverable Obligation to be Delivered in relation to the Notes is acquired above the Auction Final Price, as determined by the Determination Agent.
NOPS Amendment Notice:	A notice from the Determination Agent to the Issuer and the Fiscal Agent (with instruction to promptly deliver a copy to the Noteholders through the Relevant Clearing System) that the Determination Agent is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, (to the extent the relevant Physical Settlement Date (determined without reference to any change resulting from such NOPS Amendment Notice) will fall after the date such NOPS Amendment Notice is effective) or the detailed description(s) thereof, and containing a detailed description of each replacement Deliverable Obligation and the outstanding principal balance of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, that is being replaced.
NOPS Date:	The date on which the Notice of Physical Settlement or, if one or more NOPS Amendment Notices are delivered, the last of such NOPS Amendment Notices, as the case may be, is effective.
Notice of Physical Settlement:	<p>In respect of the Affected Reference Entity, a notice from the Determination Agent to the Issuer and the Fiscal Agent (with instruction to promptly deliver a copy to the Noteholders through the Relevant Clearing System) that contains a detailed description of each Deliverable Obligation, including the outstanding principal balance, of each such Deliverable Obligation and, if available and applicable, the CUSIP or ISIN number (or, if such identifying number is not available or applicable, the rate and tenor) of each such Deliverable Obligation, that it reasonably expects to deliver in connection with the redemption of the Notes.</p> <p>The Notice of Physical Settlement shall be delivered on or prior to the latest of:</p> <ul style="list-style-type: none"> (a) the thirty fifth calendar day (subject to the Following Business Day Convention) after the applicable First Event Determination Date; (b) the fifteenth calendar day (subject to the Following Business Day Convention) after either the date of the relevant DC Credit Event Announcement or the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a determination on the occurrence of a Credit Event; or (c) following an Auction Cancellation Date or a No Auction Announcement Date relating to the applicable Credit Event, the thirty fifth calendar day (subject to the Following Business Day Convention) after such Auction Cancellation Date or the No Auction Announcement Date, as applicable;

provided that in the case of paragraphs (b) and (c) above, the relevant Credit Event Resolution Request Date occurred on or prior to the date described in paragraph (a) above.

For the avoidance of doubt, the Determination Agent shall be entitled to specify in such notice any of the Deliverable Obligations to constitute the Deliverable Amount, irrespective of their market value.

**Physical Settlement
Date:**

The later of:

- (a) the date that is thirty five Business Days following the date on which the Conditions to Settlement are satisfied; and
- (b) following the date on which the Conditions to Settlement are satisfied, the Business Day that is the last day of the longest period for settlement in accordance with then current market practice in respect of the Deliverable Obligations (specified in the Notice of Physical Settlement or any NOPS Amendment Notice, if applicable) of the Affected Reference Entity as determined by the Determination Agent with respect to such Affected Reference Entity,

unless a Settlement Suspension has occurred in which case the references to the date the Conditions to Settlement are satisfied above shall be deemed to be references to the relevant Tolling End Date.

Such date shall be the "**Scheduled Physical Settlement Date**" and be subject to Condition 20.6 (*Physical Settlement; Cash Settlement Fallback*).

SCHEDULE 5 – VALUATION AND CASH SETTLEMENT PROVISIONS

The Final Price in respect of a Deliverable Obligation or Undeliverable Obligation (as applicable) will be determined by the Determination Agent using Quotations obtained pursuant to the following procedure:

- (a) The Determination Agent shall attempt to obtain Full Quotations with respect to the relevant Pricing Date from five or more Market Dealers.
- (b) If the Determination Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Pricing Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Pricing Date) the Determination Agent shall attempt to obtain Full Quotations from five or more Market Dealers.
- (c) If the Determination Agent is unable to obtain two or more Full Quotations on the same Business Day within such additional ten Business Days, the Quotations shall be deemed to be any Full Quotation obtained from a Market Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the Quotations shall be as determined by the Determination Agent in good faith and in a commercially reasonable manner, or if the Determination Agent is unable to determine such Quotations, the Quotations shall be deemed to be zero.
- (d) All references to Article VII of the Credit Derivatives Definitions to “Reference Obligation” shall be deemed to include references to “Deliverable Obligation” or “Undeliverable Obligation” (as applicable).

Certain definitions:

Cash Settlement Date: The date that is three (3) Business Days after the Valuation Date.

Cash Settlement Redemption Amount: In respect of the Calculation Amount of each Note, an amount equal to:

- (a) the aggregate of the products, in respect of each of the Undeliverable Obligations, of:
 - (i) the portion of the Calculation Amount in respect of the relevant Undeliverable Obligation, and
 - (ii) the relevant Final Price determined based on the Market Value of such Undeliverable Obligation, less
- (b) the sum of (i) all costs, charges and expenses (including taxes) that would be incurred in disposing of the same and (ii) the aggregate of the Hedging Costs and any Funding Costs at such time, in each case applied pro rata to the Calculation Amount,

as determined by the Determination Agent in good faith and in a commercially reasonable manner.

Full Quotation: In accordance with the Quotation Method, each firm quotation obtained from a Market Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the relevant Deliverable Obligation or Undeliverable Obligation (as applicable) with an outstanding principal balance equal to the Quotation Amount.

Latest Permissible Physical Settlement Date: The first Business Day falling forty Business Days after the Scheduled Physical Settlement Date.

Market: Means the Market Value determined by the Determination Agent with respect to the Pricing Date.

Market Dealer:	Has the meaning given to "Dealer" in the Credit Derivatives Definitions.
Market Value:	With respect to each Deliverable Obligation or Undeliverable Obligation (as applicable) on the relevant Pricing Date, (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; and (d) if fewer than two Full Quotations are obtained, the Market Value shall be determined as provided in part (c) of this Schedule 5 (<i>Valuation and Cash Settlement Provisions</i>).
Pricing Date:	The date on which the Determination Agent seeks to determine the Final Price in respect of the relevant Deliverable Obligation or Undeliverable Obligation (as applicable). To the extent that the Final Price in respect of a Deliverable Obligation or Undeliverable Obligation (as applicable) has not been determined by the Latest Permissible Settlement Date, such Final Price will be determined on such date which shall be the last Pricing Date to occur following the Scheduled Physical Settlement Date.
Quotation Amount:	With respect to each Deliverable Obligation or Undeliverable Obligation (as applicable), an amount equal to the outstanding principal balance (or its equivalent converted into USD at the relevant Currency Rate at the time that the relevant Quotation is being obtained) of such Deliverable Obligation or Undeliverable Obligation (as applicable) (for the avoidance of doubt, based on the terms set forth in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, adjusted to reflect any relevant Physical Settlement Limitation Event in accordance with Condition 20.6 (<i>Physical Settlement; Cash Settlement Fallback</i>)).
Quotation Method:	Bid
Quotations:	Exclude Accrued Interest
Valuation Date:	The last Pricing Date that occurs following the Scheduled Physical Settlement Date (which, for the avoidance of doubt, may be the Latest Permissible Physical Settlement Date), adjusted to reflect any relevant Physical Settlement Limitation Event in accordance with Condition 20.6 (<i>Physical Settlement; Cash Settlement Fallback</i>)).
Valuation Method:	Market
Valuation Time:	2:00 p.m. in the principal trading market for the relevant Deliverable Obligation or Undeliverable Obligation (as applicable).

SCHEDULE 6 – SETTLEMENT ACCOUNT NOTICE

Each Noteholder shall send to the Relevant Clearing System(s) (in accordance with the relevant operating procedures), the Issuer and the Fiscal Agent an irrevocable notice (the "**Settlement Account Notice**") in the form from time to time approved by the Issuer which must:

- (a) specify the name and address of the Noteholder;
- (b) specify the number of Notes in respect of which he is the Noteholder;
- (c) specify the number of the Noteholder's account at the Relevant Clearing System(s) to be debited with such Notes;
- (d) irrevocably instruct and authorise the Relevant Clearing System(s) (i) to debit the Noteholder's account with such Notes on the Physical Settlement Date and (ii) that no further transfers of the Notes specified in the Settlement Account Notice may be made;
- (e) contain a representation and warranty from the Noteholder to the effect that the Notes to which the Settlement Account Notice relates are free from all liens, charges, encumbrances and other third party rights;
- (f) specify details of the account or accounts at the Clearing System(s) to which such Noteholder's Relevant Proportion of the Deliverable Obligations should be Delivered, if the same comprises Deliverable Obligations that are then deliverable through any such Clearing System(s) or, if such Relevant Proportion comprises Deliverable Obligations that are not so deliverable, appropriate Delivery instructions and all necessary consents or authorisations with respect thereto as requested by the Issuer or the Fiscal Agent;
- (g) contain an irrevocable undertaking to pay all reasonable costs, charges and expenses (including taxes) incurred by the Issuer and the Fiscal Agent in respect of the Delivery of such Noteholder's Relevant Proportion of the Deliverable Obligations (if any) ("**Settlement Expenses**") and an irrevocable instruction to the relevant Clearing System to debit on or after the Physical Settlement Date the cash or other account of the Noteholder with such Clearing System with such Settlement Expenses;
- (h) include a certificate of non U.S. beneficial ownership in the form required by the Issuer; and
- (i) authorise the production of the Settlement Account Notice in any applicable administrative or legal proceedings,

and, once delivered to the Relevant Clearing System(s), 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 Settlement Account Notice following delivery of such notice to Euroclear or Clearstream, Luxembourg. A Settlement Account Notice shall only be valid to the extent that Euroclear or Clearstream, Luxembourg have not received conflicting prior instructions in respect of the Notes which are the subject of the Settlement Account Notice. Failure to properly complete and deliver a Settlement Account 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 Issuer and shall be conclusive and binding on the Noteholder.

For the purposes of this Schedule 6 (*Settlement Account Notice*),

"**Clearing System**" means the principal domestic system customarily used for settling trades in the relevant Deliverable Obligations; and

"**Relevant Proportion**" means, at any time in relation to a Noteholder, the proportion which the aggregate principal amount outstanding of the Notes held by that Noteholder bears to the aggregate principal amount outstanding of all the Notes.

OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing: Official List of the Luxembourg Stock Exchange
Admission to Trading: Regulated Market of the Luxembourg Stock Exchange

2. RATINGS

Ratings: The Notes will not be rated.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale" of the Base Prospectus dated 7 June 2012, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.

4. ESTIMATED NET PROCEEDS

Estimated net proceeds: USD 70,000,000

5. OPERATIONAL INFORMATION

ISIN Code: XS0886781334

Common Code: 088678133

CFI: DTFXFB

New Global Note: No

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

Delivery: Delivery against payment

Names and addresses of initial Paying Agent(s): As set out in the Base Prospectus dated 7 June 2012

Names and addresses of additional Paying Agent(s) (if any): None

Intended to be held in a manner which would allow Eurosystem eligibility: No

6. POST ISSUANCE INFORMATION

The Issuer does not intend to provide post issuance information in respect of the Notes except if required by any applicable laws and regulations.

MANAGEMENT OF MORGAN STANLEY & CO. INTERNATIONAL PLC

The directors of the Issuer as of the date of this Prospectus, their offices, if any, within Morgan Stanley, and their principal outside activity, if any, shall be as listed in “Management of Morgan Stanley & Co. International plc” on pages 65 to 66 of the Registration Document dated 7 June 2012.

In respect of Morgan Stanley, being the ultimate parent undertaking and controlling entity of the Issuer, a new last row shall be added to the table on pages 37 to 39 of the Registration Document as follows:

Robert H. Herz	Director	President of Robert H. Herz LLC, Director of Federal National Mortgage Association (Fannie Mae), member of the Accounting Standards Oversight Council of Canada, member of the Standing Advisory Group of the Public Company Accounting Oversight Board, member of the advisory boards of WebFilings LLC, AccountAbility and the Manchester Business School, executive-in-residence at the Columbia University Business School, trustee and vice chair of the Kessler Foundation.
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REGISTERED OFFICE OF MORGAN STANLEY & CO. INTERNATIONAL PLC

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United Kingdom

FISCAL AGENT, CALCULATION AGENT, REGISTRAR AND TRANSFER AGENT

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LEGAL ADVISORS TO THE ISSUER AND THE DEALER AS TO ENGLISH LAW

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LUXEMBOURG LISTING AGENT

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