

## 5 Year USD Worst Of Capital Protected Booster Notes linked to HERMES INTERNATIONAL, LVMH MOET HENNESSY LOUIS VUI, CIE FINANCIERE RICHEMONT-REG

### Indicative Terms and Conditions

These Notes do not constitute any Collective Investment Schemes units in the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA). Accordingly, holders of the Notes do not benefit from the investor protection under the CISA or the approval or supervision by the Swiss Financial Market Supervisory Authority (FINMA). Investors are exposed to the credit risk of the Issuer and the Guarantor (if any). Accordingly, the value of the investment product is dependent not only on the development of the underlying assets but, among others, also the creditworthiness of the Issuer and the Guarantor (if any) which may vary over the term of the investment product.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (AS AMENDED) AND ARE SUBJECT TO U.S. TAX REQUIREMENTS. THE SECURITIES 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 A U.S. PERSON.

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

PRIVATE PLACEMENT ONLY. NOT FOR DISTRIBUTION TO U.S. INVESTORS. NO ONWARD DISTRIBUTION EXCEPT IN ACCORDANCE WITH THE RELEVANT PRIVATE PLACEMENT RESTRICTIONS.

This Term Sheet is a summary of the terms of the Notes. The terms and conditions will be set out in the Pricing Supplement which must be read in conjunction with the Offering Circular dated 29 June 2018 and supplemented as of 12 September 2018, 10 October 2018 and 8 November 2018. Copies of the Pricing Supplement and the Offering Circular are available from the Issuer and the Dealer. Terms used but not defined herein are as defined in the Offering Circular.

### A. PRODUCT DESCRIPTION:

The Notes are senior, unsecured obligations of the Issuer and all payments, including the repayment of principal, are subject to the credit risk of the Issuer and the Guarantor. The Notes are principal protected. The Notes are issued in USD

PRODUCT DETAILS:		DATES:	
ISIN	XS1919517430	Trade Date	22 January 2019
Issue Price	92.35%	Strike Date	22 January 2019
Principal	USD 5,500,000	Issue Date	29 January 2019
Settlement Currency	USD	Determination Date	22 January 2024
Denomination (Par)	USD 100,000	Maturity Date	25 January 2024

### UNDERLYING:

i	Name	BBG Code	Underlying Type	Initial Reference Level:(i)
1	HERMES INTERNATIONAL	RMS FP Equity	Common Stock	Official closing level(i) on Strike Date, equal to EUR 498.80
2	LVMH MOET HENNESSY LOUIS VUI	MC FP Equity	Common Stock	Official closing level(i) on Strike Date, equal to EUR 257.10
3	CIE FINANCIERE RICHEMONT-REG	CFR SW Equity	Common Stock	Official closing level(i) on Strike Date, equal to CHF 69.00

### GENERAL INFORMATION:

Issuer	Morgan Stanley B.V., Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam Zuidoost, The Netherlands (Registered Office). The Issuer is registered with the Dutch Chamber of Commerce and is not subject to prudential or conduct supervision.
Guarantor	Morgan Stanley, The Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware

This is not an offer (or solicitation of an offer) to buy or sell the product. The product may not be offered, sold, transferred or delivered directly or indirectly in the United States to, or for the account or benefit of, any U.S. Person (as defined in Regulation S under the Securities Act). Please refer to the important information at the end of this term sheet. © Copyright 2019 Morgan Stanley.

	19801, U.S.A
<b>Guarantor Rating</b>	BBB+ (S&P), A3 (Moody's), A (Fitch)
<b>Supervision of the Issuer</b>	The Issuer is registered with the Dutch Chamber of Commerce and is not subject to prudential or conduct supervision.
<b>Dealer and Determination Agent</b>	Morgan Stanley & Co International plc, 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom
<b>Issuing and Paying Agent</b>	The Bank of New York Mellon, One Canada Square, London, E14 5AL, United Kingdom.

## FINAL REDEMPTION AMOUNT:

<b>Final Redemption Amount</b>	Unless previously redeemed, or purchased and cancelled in accordance with the Conditions, the Issuer shall redeem the Notes on the Maturity Date at the Final Redemption Amount per Note as determined by the Determination Agent as follows: Final Redemption Amount = Capital Protection * Par + Final Upside Amount
<b>Capital Protection</b>	100.00%

## FINAL UPSIDE AMOUNT:

<b>Final Upside Amount</b>	The Final Upside Amount per Note is determined by the Determination Agent as follows: $\text{Par} \times \text{Participation} \times \text{Min}(\text{Cap}, \text{Max}(0, \text{LPU Performance} - \text{Call Strike}))$
<b>Final Reference Level(i)</b>	The official closing level of the Underlying(i) on the Determination Date
<b>Initial Reference Level(i)</b>	The Initial Reference Level of the Underlying(i) as stated in the table above
<b>Lowest Performing Underlying (LPU)</b>	The Lowest Performing Underlying will be defined as the Underlying(i) which generates the lowest result from the following computation on the Determination Date:  [Final Reference Level (i) / Initial Reference Level (i)]  where $i = 1$ to $3$ Final Reference Level(i) : the official closing price of the Underlying(i) on the Determination Date  Initial Reference Level(i) : the initial reference level of the Underlying(i) as stated in the above table  If there is an equivalent result for more than one Underlying(i), the Lowest Performing Underlying shall be determined by the Determination Agent
<b>LPU Performance</b>	Final Reference Level LPU / Initial Reference Level LPU
<b>Final Reference Level LPU</b>	The Final Reference Level of the Lowest Performing Underlying
<b>Initial Reference Level LPU</b>	The Initial Reference Level of the Lowest Performing Underlying
<b>Call Strike</b>	100.00%
<b>Participation</b>	60.00%
<b>Cap</b>	15.00%

## FURTHER INFORMATION:

<b>Notices</b>	All notices concerning the Notes, including but not limited to incidental changes, adjustments and corrections to the terms and conditions of the Notes, will be published on the internet on website <a href="http://www.sp.morganstanley.com/eu">www.sp.morganstanley.com/eu</a> or any successor website hereto
<b>Settlement Type</b>	Cash
<b>Maturity Date Adjustment</b>	The Maturity Date is subject to adjustment in accordance with the Business Day Convention (i) in the event such date is not a Business Day or (ii) such that the Maturity Date shall always be at least (5) Business Days following the Determination Date.

This is not an offer (or solicitation of an offer) to buy or sell the product. The product may not be offered, sold, transferred or delivered directly or indirectly in the United States to, or for the account or benefit of, any U.S. Person (as defined in Regulation S under the Securities Act). Please refer to the important information at the end of this term sheet. © Copyright 2019 Morgan Stanley.

<b>Business Days for valuation purposes</b>	a Scheduled Trading Day in respect of the Underlying(s)
<b>Business Days for payment purposes</b>	New York
<b>Business Day Convention</b>	Following, provided that the Maturity Date shall always be at least (5) Business Days following the Determination Date.
<b>Exercise Details, Exercise Style</b>	Not Applicable
<b>Market Making/ Secondary Trading</b>	Under normal market conditions, and subject to applicable law and regulations and Morgan Stanley internal policy, Morgan Stanley & Co. International plc will use reasonable efforts to quote bid and offer prices. However, Morgan Stanley & Co. International plc will not be legally obliged to do so.
<b>Quotation</b>	Percentage quotation. The Notes are trading DIRTY. Accrued interest (if any) is included in the secondary market price.
<b>Settlement</b>	Euroclear
<b>Listing</b>	Global Exchange Market
<b>Offer</b>	Private Placement in the European Economic Area, distribution to qualified investors in Switzerland
<b>Type</b>	Equity Linked Note
<b>Form</b>	Registered
<b>Governing Law, Place Of Jurisdiction</b>	English Law
<b>Adjustment/Extraordinary Events</b>	Merger Event, Tender Offer, Nationalization, Delisting and Insolvency
<b>Additional Disruption Events</b>	Change in Law, Hedging Disruption, Increased Cost of Hedging
<b>Fees</b>	In connection with the offer and sale of the Notes, the Issuer or the Dealer may pay to any intermediary a one time or recurring intermediary fee. Further information is available from the Distributor upon request.
<b>Early Redemption Amount in Upon Event of Default</b>	If the Securities are accelerated following the occurrence of an Event of Default:  Qualified Financial Institution Determination: an amount determined by the Determination Agent, acting in good faith and in a commercially reasonable manner, as at such date as is selected by the Determination Agent in its sole and absolute discretion (provided that such day is not more than 15 Business Days prior to the date fixed for redemption of the Securities) to be the amount that a Qualified Financial Institution would charge either (as specified in the applicable Pricing Supplement): (i) to assume all of the Issuer's payment and other obligations with respect to such Securities as if no such Event of Default had occurred or (ii) to undertake obligations that would have the effect of preserving the economic equivalent of any payment by the Issuer to the Securityholder with respect to the Securities.
<b>Potential Section 871(m) Withholding:</b>	The Issuer has determined that the Notes should not be subject to withholding under Section 871(m) of the Code, and hereby instructs its agents and withholding agents that no withholding is required, unless such agent or withholding agent knows or has reason to know otherwise.
<b>Swiss Tax Treatment</b>	The following Swiss tax summary is valid at the time of the issuance of the product. It is for general information only and does not purport to be a comprehensive description of all Swiss tax consequences that may be relevant to a decision to purchase, own or dispose of the product. Swiss tax laws and the practice of the Swiss tax authorities may change, possibly with retroactive effect. Prospective purchasers of the product should consult their own tax advisers concerning the tax consequences of purchasing, holding and disposing of the product in the light of their particular circumstances.  <b><i>Withholding tax and stamp duties</i></b>

This is not an offer (or solicitation of an offer) to buy or sell the product. The product may not be offered, sold, transferred or delivered directly or indirectly in the United States to, or for the account or benefit of, any U.S. Person (as defined in Regulation S under the Securities Act). Please refer to the important information at the end of this term sheet. © Copyright 2019 Morgan Stanley.

	<p>The product is not subject to Swiss withholding tax.</p> <p>Secondary market transactions concerning the product are subject to 15 bps Swiss stamp transfer tax if they are made by or through the intermediary of a Swiss bank or Swiss securities dealer and if no exemption applies.</p> <p><b>Tax Treatment for Swiss resident individuals</b></p> <p>This product is classified for Swiss tax purposes as a transparent non-Swiss bond-like derivative financial instrument with a predominantly one-time interest payment (“Obligationen-ähnliches Produkt mit überwiegender Einmalverzinsung”; IUP).</p> <p>As a result, the positive difference between the value of the bond floor (in CHF) at the redemption/disposal and the value of the bond floor (in CHF) at the issuance/acquisition of the product is taxable income at redemption/disposal date for Swiss resident individual investors (“Modifizierte Differenzbesteuerung”).</p> <p>The remaining part of the return of the product is tax-free for Swiss resident individual investors holding the product for private investment purposes.</p> <p>A capital loss on the bond floor is only tax-deductible to the extent that it can be offset against gains/income of IUP products generated in the same calendar year.</p>
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The tax information is a non-binding summary and only provides a general overview of the potential tax consequences linked to this Security at the time of issue. Tax laws and tax doctrine may change at any time, possibly with retroactive effect.

Investors and prospective Investors are advised to consult with their tax advisers with respect to the Swiss tax consequences of the purchase, ownership, disposition, lapse or exercise or redemption of a Product in light of their particular circumstances. The Issuing Parties and the Lead Manager hereby expressly exclude any liability in respect of any possible tax implications.

Updated bondfloor information, if a bondfloor is applicable to the Product (according to “Product Details” and “Taxation Switzerland” herein), can be found on the following web page of the Swiss Federal Tax Administration (FTA): [www.ictax.admin.ch](http://www.ictax.admin.ch)

## B. PROFIT AND LOSS PROSPECTS:

<b>Market Expectations</b>	The Bonus is a Note for Investors who expect the Underlying(s) to trade sideways or slightly higher during the product's lifetime.
<b>Characteristics</b>	Please see Product Description
<b>Maximum Profit / Maximum Loss at Maturity</b>	The potential profit of the Bonus Note is limited to the Cap Level. The potential loss of the Bonus Note is 100% of the invested capital, should any of the Underlying lose all of its value

## C. SIGNIFICANT RISKS FOR INVESTORS:

### Risk Factors

Potential investors are urged to consult with their legal, regulatory, investment, accounting, tax and other advisors with regard to any proposed or actual investment in the Notes and to review the Offering Circular.

Please see the Offering Circular together with the Pricing Supplement for a full detailed description of the Notes and in particular, please review the Risk Factors associated with these Notes. Investing in the Notes entails certain risks including, but not limited to, the following:

**Capital protection at maturity:** Capital protection is provided at maturity only. If the Notes are sold prior to maturity, or redeemed by the Issuer for reasons stated in the Offering Circular, this document and the Pricing Supplement or if there is a change in tax law), the proceeds may be less than the initial investment. **Adjustments by the Determination Agent:** The terms and conditions of the Notes will allow the Determination Agent to make adjustments or take any other appropriate action if circumstances occur where the Notes or any exchanges are affected by market disruption, adjustment events or circumstances affecting normal activities.

In addition, other circumstances may occur which either increase the liability of the Issuer fulfilling its obligations under the Notes or

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increase the liability of any hedging activities related to such obligations, including without limitation the adoption of or any change in any tax law relating to a common system of financial transaction tax in the European Union or otherwise.

In such circumstances, the Determination Agent can in its sole and absolute discretion determine whether to redeem the Notes early, or adjust the terms of the Notes, which may include without limitation adjustments to the Initial Reference Level, the Final Redemption Amount or the Underlying. The Determination Agent is not required but has the discretion to make adjustments with respect to each and every corporate action. Potential investors should see the Offering Circular for a detailed description of potential adjustment events and adjustments.

**Basket Components Risk:** The Notes will be redeemed at an amount determined by reference to the performance of the Basket Components and such performance will therefore affect the nature and value of the investment return on the Notes. Noteholders and prospective purchasers of Notes should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment related to the Basket Components based upon such investigations and not in reliance on any information given in this document.

**Exit Risk:** Any secondary market price of the Notes will depend on many factors, including the value and volatility of the Underlying(s), interest rates, the dividend rate on the stocks that compose the Underlying (if any), time remaining to maturity and the creditworthiness of the Issuer and the Guarantor. The secondary market price may be lower than the market value of the issued Notes as at the Issue Date to take into account amounts paid to distributors and other intermediaries relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations. As a result of all of these factors, the holder may receive an amount in the secondary market which may be less than the then intrinsic market value of the Security and which may also be less than the amount the holder would have received had the holder held the Security through to maturity.

**Credit Risk:** Investors are exposed to the credit risk of the Issuer and/or Guarantor. The Notes are essentially a loan to the Issuer with a repayment amount linked to the performance of the Underlying that the Issuer promises to pay at maturity and that the Guarantor promises to pay if the Issuer fails to do so. There is the risk, however, that the Issuer and the Guarantor may not be able to fulfil their obligations, irrespective of whether the Notes are referred to as capital or principal protected. Investors may lose all or part of their investment if the Issuer and the Guarantor are unable to pay the coupons (if any) or the redemption amount. No assets of the Issuer and/or Guarantor are segregated and specifically set aside in order to pay the holders of the Notes in the event of liquidation of the Issuer and/or Guarantor, and the holders of the Notes will rank behind secured or preferred creditors.

**Liquidity Risk:** The Notes will not be traded on an organized exchange. Any secondary market in the Notes made by the Dealer will be made on a reasonable efforts basis only and subject to market conditions, law, regulation and internal policy. Even whilst there may be a secondary market in the Notes it may not be liquid enough to facilitate a sale by the holders.

**Product Market Risk:** The value of the Notes and the returns available under the terms of the Notes will be influenced and dependent on the value of the Underlying. It is impossible to predict how the level of the Underlying will vary over time. The historical performance (if any) of the Underlying is not indicative of its future performance.

**Hedging Risk:** On or prior to and after the Trade Date, the Issuer, through its affiliates or others, will likely hedge its anticipated exposure under the Notes by taking positions in the Underlying, in option contracts on the Underlying or positions in any other available securities or instruments. In addition, the Issuer and its affiliates trade the Underlying as part of their general businesses.

**Adjustment and Discontinuation Risk:** The Sponsor of the Underlying can add, delete or substitute stocks constituting the Underlying or make other methodological changes that could change the value of the Underlying without regard to the interests of holders of the Notes. Any of these decisions/determinations may adversely affect the value of the Notes and may result in the investor receiving a return that is materially different from what he/she would have received if the event had not occurred.

**No Shareholder Rights:** A holder of Notes will have no beneficial interest in the stocks that compose the relevant Underlying nor any voting rights and will not have the right to receive dividends or other distributions with respect to the stocks that compose the Underlying.

**Underlying Sponsor Risk:** The sponsor of the relevant Underlying is not an affiliate of the Issuer or its affiliates and is not involved with this offering in any way. Consequently, the Issuer and the Determination Agent have no ability to control the actions of the sponsor of the relevant Underlying, including and rebalancing that could trigger an adjustment to the terms of the Notes by the Determination Agent.

**Potential Conflict of Interest:** The Determination Agent, which is an affiliate of the Issuer, will determine the payout to the investor at maturity. Morgan Stanley & Co. International plc and its affiliates may trade the Underlying on a regular basis as part of its general broker-dealer business and may also carry out hedging activities in relation to the Notes. Any of these activities could influence the Determination Agent's determination of adjustments made to any Notes and any such trading activity could potentially

affect the price of the Underlying and, accordingly, could affect the investor's payout on any Note.

## D. Selling Restrictions

**This term sheet and the Notes described herein may be distributed in Switzerland only. No public offer or subsequent distribution of the Notes in the European Economic Area is permitted.**

Save as expressly permitted herein, no public offering of the Notes, or possession or distribution of any offering material in relation thereto, is permitted in any jurisdiction. This term sheet may not be used for the purpose of any offer or solicitation by anyone in any jurisdiction in which that offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. 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 implementing measures by the offer or the Issuer, the Dealer and their respective affiliates and 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 Notes have not been and will not be registered under the U.S. Notes Act of 1933, as amended, or the securities laws of any State in the United States, and are subject to U.S. tax requirements. The Notes may not be offered, sold or delivered at any time, directly or indirectly, within the United States (which term includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America) or to or for the account of a U.S. Person (as defined in Regulation S under the Notes Act of 1933, as amended). In purchasing the Notes, you represent and warrant that you are neither located in the United States nor a U.S. Person and that you are not purchasing for the account or benefit of any such person.

This investment product does not constitute any Collective Investment Schemes Unit in the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA). Accordingly, holders of this investment product do not benefit from the investor protection under the CISA or the approval or supervision by the Swiss Financial Market Supervisory Authority (FINMA). Investors are exposed to the credit risk of the issuer and the guarantor (if any). Accordingly, the value of investment product is dependent not only on the development of the underlying assets but, among others, also the creditworthiness of the issuer and the guarantor (if any) which may vary over the term of the investment product.

This document does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations nor a simplified prospectus pursuant to Article 5 of the CISA. Accordingly, the Notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors, who do not subscribe to the Notes with a view to distribution. The investors will be individually approached by the dealer from time to time. This document is personal to each offeree and does not constitute an offer to any person. This document may only be used by those persons to whom it has been handed out in connection with the offer described herein and may neither directly nor indirectly be distributed or made available to other persons without express consent of the dealer. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in Switzerland.

The Offering Circular and Pricing Supplement prepared by the Issuer or any of its affiliates in connection with the Notes shall not constitute a valid prospectus pursuant to Directive 2003/71/EC (as amended). Neither the Issuer nor any of its affiliates consent to, the use of the Offering Circular and the Pricing Supplement in connection with any on-selling of the Notes and each of the Issuer and its affiliates disclaims any liability in such circumstances.

## Prohibition of Sales to EEA Retail Investors

If the Pricing Supplement in respect of the Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of:

- (A) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II");
- (B) a customer within the meaning of Directive 2002/92/EC (the "IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (C) not a qualified investor as defined in the Prospectus Directive.

Consequently, if the Pricing Supplement in respect of the Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been or will be prepared and therefore offering or

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selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

## MiFID 2 Product Governance requirements

Morgan Stanley & Co International plc (for the purposes of this section, the “**Manufacturer**”) and the distributor of the Notes (the “**Distributor**”) agree and undertake as follows:

The Manufacturer will identify the potential target market of end investors for the Notes by specifying the type(s) of client for whose needs, characteristics and objectives the Notes could, based on its theoretical knowledge of and past experience with the Notes or similar Notes, be compatible (the “**Potential Target Market**”). The Potential Target Market will also include, where appropriate, information on any group(s) of investors for whose needs, characteristics and objectives the Notes are not compatible. The Potential Target Market will be communicated to the Distributor by the Issuer, as agreed on a trade-by-trade basis.

The Distributor will, taking into account the Potential Target Market, identify a specific target market for the Notes (the “**Specific Target Market**”) and ensure that the Notes that it intends to offer or recommend are compatible with the needs, characteristics and objectives of such Specific Target Market. The Specific Target Market will also include, where appropriate, information on any group(s) of investors for whose needs, characteristics and objectives the Notes are not compatible.

The Distributor will:

- on an on-going basis throughout the life of the Notes, raise with Manufacturer any issue of material discrepancy or incompatibility between the Specific Target Market and the Potential Target Market;
- ensure that the Notes are promoted, marketed and/or distributed to and through channels that are compatible with the Specific Target Market;
- review the Notes and related services that it offers, on a regular basis, taking into account any event that could materially affect the Specific Target Market in order to make sure that the Notes remain consistent with the needs, characteristics and objectives of the Specific Target Market; and
- provide the Manufacturer with requested management information (including information on sales including any sales made outside the Specific Target Market).

## Investor Representations

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

- (i) you shall only distribute as principal or, alternatively, acting as an agent on behalf of your unnamed principals and will not do so as agent for any Morgan Stanley entity (together “Morgan Stanley”) who shall assume no responsibility or liability whatsoever in relation to any such distribution. You shall distribute the product in your own name and to such customers as you identify in your own discretion, at your own risk and under your sole responsibility. You shall make such enquiries you deem relevant in order to satisfy yourself that the Notes are appropriate or suitable for each of the prospective investors and that the prospective investors (a) have the requisite capacity and authority to purchase the Security and (b) understand the risks and are capable of assessing and assuming the risks associated with an investment in the Security;
- (ii) you shall not make any representation or offer any warranty to investors regarding the Security, the Issuer or Morgan Stanley or make any use of the Issuer’s or Morgan Stanley’s name, brand or intellectual property which is not expressly authorized and you shall not represent you are acting as an agent of Morgan Stanley in such distribution. You acknowledge that neither the Issuer nor Morgan Stanley assume any responsibility or liability whatsoever in relation to any representation or warranty you make in breach hereof;
- (iii) if you distribute any material prepared and transmitted by the Issuer or by Morgan Stanley, you shall only distribute the entire material and not parts thereof. Any material you, or any third party you engage on your behalf, prepare shall be true and accurate in all material respects and consistent in all material respects with the content of the Offering Circular and the Pricing Supplement and shall not contain any omissions that would make them misleading. You shall only prepare and distribute such material in accordance with all applicable laws, regulations, codes, directives, orders and/or regulatory requirements, rules and guidance in force from time to time (“Regulations”). You acknowledge that neither the Issuer nor Morgan Stanley shall have any liability in respect of such material which shall, for the avoidance of doubt, at all times be

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your sole responsibility;

- (iv) you will not, directly or indirectly, distribute or arrange the distribution of the product or disseminate or publish (which for the avoidance of doubt will include the dissemination of any such materials or information via the internet) any materials or carry out any type of solicitation in connection with the product in any country or jurisdiction, except under circumstances that will result in compliance with all applicable Regulations and selling practices, and will not give rise to any liability for the Issuer or Morgan Stanley. For the avoidance of doubt, this includes compliance with the selling restrictions mentioned herein and all applicable sanctions laws and programs, including without limitation the U.S. Department of Treasury's Office of Foreign Assets Control;
- (v) To the extent that MSIP pays to you and/or any of your affiliates any fee, commission or non-monetary benefit ("**Remuneration**"), you represent and warrant to us each time you and/or any of your affiliates receive such Remuneration, that you and/or your affiliates are entitled to receive such Remuneration in accordance with all applicable laws, regulatory requirements, or regulation, contract, fiduciary obligations or otherwise). If, in relation to the Notes, you are providing investment advice on an independent basis or portfolio management to a potential investor, you will transfer any Remuneration received by from Morgan Stanley to the potential investor as soon as reasonably possible after receipt, in all cases as required by and in accordance with applicable laws and regulations.

If, for any reason and at any time, you and/or your affiliates are not entitled to receive and/or retain such Remuneration, you shall notify us immediately in writing.

To the extent that MSIP pays Remuneration to you and/or any of your affiliates, you represent and warrant that such Remuneration does not relate to and/or is not calculated in respect of an advised sale made to a retail client (as defined in the FCA Handbook) based in the United Kingdom (whether or not through agents acting on your or their behalf such as platforms, financial advisers and/or portfolio managers) or where you are undertaking portfolio management. You agree to inform the Issuer or Morgan Stanley of such distribution to UK retail clients.

You acknowledge that where Remuneration is payable, the Issuer and Morgan Stanley are obliged to disclose the amounts and/or basis of such Remuneration.

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

**YOU AGREE THAT THE REPRESENTATIONS, UNDERTAKINGS AND ACKNOWLEDGEMENTS IN THIS DOCUMENT ARE BINDING ON YOU WITH RETROSPECTIVE EFFECT AS OF THE TRADE DATE.**

To the extent there is any conflict between these deemed representations and warranties and any terms included in a signed distribution agreement between us, the terms of such distribution agreement shall apply.

## Important Information

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