

**Morgan Stanley Finance LLC**

Legal Entity Identifier (LEI): 5493003FCPSE9RKT4B56

Issue of Morgan Stanley Finance LLC USD 165,000,000 Callable Zero-Coupon Notes due 30 July 2058

(the "Notes")

Guaranteed by Morgan Stanley

under the

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

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

Issue Date: 30 July 2020

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

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

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

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

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

The Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than "professional institutional investors" as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC ("**Professional Institutional Investors**"), which currently include: overseas or domestic (i) banks, securities firms, futures firms and insurance companies (excluding insurance agencies, insurance brokers and insurance surveyors), the foregoing as further defined in more detail in Paragraph 3 of Article 2 of the Organization Act of the Financial Supervisory Commission of the ROC, (ii) fund management companies, government investment institutions, government funds, pension funds, mutual funds, unit trusts, and funds managed by financial service enterprises pursuant to the ROC Securities Investment Trust and Consulting Act, the ROC Future Trading Act or the ROC Trust Enterprise Act or investment assets mandated and delivered by or transferred for trust by financial consumers, and (iii) other institutions recognized by the Financial Supervisory Commission of the ROC. Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to a Professional Institutional Investor.

THE NOTES DESCRIBED HEREIN AND ANY GUARANTEE IN RESPECT THEREOF, AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

NEITHER THE ISSUER NOR THE GUARANTOR IS REGISTERED, OR WILL REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. TRADING IN THE NOTES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED.

THE NOTES DESCRIBED HEREIN, ANY INTEREST THEREIN, ANY GUARANTEE IN RESPECT THEREOF AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY)

MAY NOT BE OFFERED, SOLD, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED OR REDEEMED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT. HEDGING TRANSACTIONS INVOLVING ANY "EQUITY SECURITIES" OF "DOMESTIC ISSUERS" (AS SUCH TERMS ARE DEFINED IN THE SECURITIES ACT AND REGULATIONS THEREUNDER) MAY ONLY BE CONDUCTED IN ACCORDANCE WITH THE SECURITIES ACT. SEE "*SUBSCRIPTION AND SALE*" AND "*NO OWNERSHIP BY U.S. PERSONS*" IN THE ACCOMPANYING OFFERING CIRCULAR DATED 29 JUNE 2018. IN PURCHASING THE NOTES, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON.

Lead Manager and

**MORGAN STANLEY TAIWAN LIMITED**

Liquidity Provider

**YUANTA SECURITIES CO., LTD.**

Managers

**MORGAN STANLEY TAIWAN LIMITED**

**E.SUN COMMERCIAL BANK, LTD.**

**FUBON SECURITIES CO., LTD.**

**YUANTA SECURITIES CO., LTD.**

**CATHAY UNITED BANK CO., LTD.**

**Pricing Supplement dated 30 July 2020**

**Morgan Stanley Finance LLC**

Legal Entity Identifier (LEI): 5493003FCPSE9RKT4B56

Issue of USD 165,000,000 Callable Zero-Coupon Notes due 30 July 2058

(the "Notes")

Guaranteed by Morgan Stanley

under the

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

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

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

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

**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS: IF THE PRICING SUPPLEMENT IN RESPECT OF ANY NOTES INCLUDES A LEGEND ENTITLED "PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS", THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA OR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF:**

- (A) **A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU, AS AMENDED ("MIFID II");**
- (B) **A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97, AS AMENDED, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR**
- (C) **NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129, AS AMENDED.**

**CONSEQUENTLY, IF THE PRICING SUPPLEMENT IN RESPECT OF ANY NOTES INCLUDES A LEGEND ENTITLED "PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS", NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EUROPEAN**

**ECONOMIC AREA OR IN THE UNITED KINGDOM HAS BEEN OR WILL BE PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA OR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.**

#### **PART A – CONTRACTUAL TERMS**

THE NOTES DESCRIBED HEREIN AND ANY GUARANTEE IN RESPECT THEREOF, AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NEITHER THE ISSUER NOR THE GUARANTOR IS REGISTERED, OR WILL REGISTER, UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. TRADING IN THE NOTES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED.

THE NOTES DESCRIBED HEREIN, ANY INTEREST THEREIN, ANY GUARANTEE IN RESPECT THEREOF AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY) MAY NOT BE OFFERED, SOLD, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED OR REDEEMED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT). HEDGING TRANSACTIONS INVOLVING ANY "EQUITY SECURITIES" OF "DOMESTIC ISSUERS" (AS SUCH TERMS ARE DEFINED IN THE SECURITIES ACT AND REGULATIONS THEREUNDER) MAY ONLY BE CONDUCTED IN ACCORDANCE WITH THE SECURITIES ACT. SEE "*SUBSCRIPTION AND SALE*" AND "*NO OWNERSHIP BY U.S. PERSONS*" IN THE ACCOMPANYING OFFERING CIRCULAR DATED 26 JUNE 2020. IN PURCHASING THE NOTES, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON.

THE NOTES ARE NOT RATED.

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

#### **Information Concerning Investment Risk**

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

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

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

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

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

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

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

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

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

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

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

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

**Accounting Considerations:** Special accounting considerations may apply to certain types of investors. Prospective investors are urged to consult with their own accounting advisors to determine implications of this investment.

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

1.	(i)	Issuer:	Morgan Stanley Finance LLC
	(ii)	Guarantor:	Morgan Stanley
2.	(i)	Series Number:	K0238
	(ii)	Tranche Number:	1
3.		Specified Currency or Currencies:	United States Dollars ("USD")
4.		Aggregate Nominal Amount of the Notes:	
	(i)	Series:	USD165,000,000
	(ii)	Tranche:	USD165,000,000
5.		Issue Price	100 per cent. of par per Note
6.	(i)	Specified Denominations:	USD1,000,000
	(ii)	Calculation Amount (Par):	USD1,000,000
7.	(i)	Issue Date:	30 July 2020
	(ii)	Trade Date:	17 July 2020
	(iii)	Interest Commencement Date	Not Applicable
	(iv)	Strike Date	Not Applicable
	(v)	Determination Date	Not Applicable
8.		Maturity Date:	30 July 2058, subject to adjustment in accordance with the Modified Following Business Day Convention
9.		Interest Basis:	Zero Coupon
10.		Redemption/Payment Basis:	Redemption at Final Redemption Amount
11.		Change of Interest or Redemption/Payment Basis:	Not Applicable
12.		Put/Call Options/Autocallable Early Redemption:	
	(i)	Redemption at the Option of the Issuer: (Condition 23.5)	Applicable, subject to "Call Option" provision below.
	(ii)	Redemption at the Option of the Noteholders: (Condition 23.7)	Not Applicable
	(iii)	Autocallable Early Redemption: (Condition 20)	Not Applicable

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

**RELEVANT UNDERLYING**

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

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

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

**PROVISIONS RELATING TO REDEMPTION**

30.	<b>Call Option</b> (Condition 23.5)	Applicable, provided that notwithstanding anything to the contrary in Condition 23.5, an early redemption, in whole but not in part, will occur on an Optional Redemption Date at the Optional Redemption Amount corresponding to
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such Optional Redemption Date (as set out below), if and only if the output of a risk neutral valuation model on a Business Day that is at least 5 but no greater than 8 Business Days prior to such Optional Early Redemption Date, as selected by the Determination Agent (the “Optional Redemption Determination Date”), taking as input: (i) prevailing reference market levels, volatilities and correlations, as applicable and in each case as of the Optional Redemption Determination Date, and (ii) the Issuer’s credit spreads as of the Trade Date(s), indicates that redeeming the Notes on such Optional Early Redemption Date is economically rational for the Issuer as compared to not redeeming on such Optional Early Redemption Date. If the Issuer is required to redeem the Notes on any Optional Redemption Date, the Issuer will give the Noteholders not less than 5 Business Days’ prior notice.

(i)	Optional Redemption Date:	30 July 2028, 30 July 2034, 30 July 2040, 30 July 2046 and 30 July 2052, in each case subject to adjustment in accordance with the Modified Following Business Day Convention
(ii)	Optional Redemption Amount of each Note and method, if any, of calculation of such amount:	In relation to 30 July 2028, USD 1,266,770.08 per Calculation Amount;  In relation to 30 July 2034, USD 1,512,589.72 per Calculation Amount;  In relation to 30 July 2040, USD 1,806,111.23 per Calculation Amount;  In relation to 30 July 2046, USD 2,156,591.27 per Calculation Amount; and  In relation to 30 July 2052, USD 2,575,082.76 per Calculation Amount.
(iii)	Maximum Call Notice Number of Day(s):	Not Applicable
(iv)	Minimum Call Notice Number of Day(s):	5 Business Days
31.	<b>Put Option</b> (Condition 23.7)	Not Applicable
32.	<b>Autocallable Early Redemption</b> (Condition 20)	Not Applicable
33.	<b>Final Redemption Amount of each Note</b> (Condition 23.1)	USD 3,074,783.48 per Calculation Amount
34.	<b>Dual Currency Redemption Provisions</b> (Condition 8)	Not Applicable
35.	<b>Equity-Linked Redemption Provisions</b> (Condition 10)	Not Applicable

36.	<b>Commodity-Linked Redemption Provisions</b> (Condition 11)	Not Applicable
37.	<b>Currency-Linked Redemption Provisions</b> (Condition 12)	Not Applicable
38.	<b>Inflation-Linked Redemption Provisions</b> (Condition 13)	Not Applicable
39.	<b>Property-Linked Redemption Provisions</b> (Condition 14)	Not Applicable
40.	<b>Fund-Linked Redemption Provisions</b> (Condition 15)	Not Applicable
41.	<b>Futures Contract-Linked Redemption Provisions</b> (Condition 16)	Not Applicable
42.	<b>Credit Linked Redemption Provisions</b> (Condition 17)	Not Applicable
43.	<b>ETN-Linked Redemption Provisions</b> (Condition 18)	Not Applicable
44.	<b>Preference Share-Linked Redemption Provisions</b> (Condition 19)	Not Applicable
45.	(i) Early Redemption Amount upon Event of Default: (Condition 28)	Accrued Value on the basis of a 30/360 (ISDA) Day Count Fraction
	(ii) Early Redemption Amount(s) payable upon an event described in Condition 6.14/10.2(d)/10.2(f)/10.4(a)(iii)/10.4(b)(iii)/10.5(c)/10.6(c)/10.7(c)/10.8(c)/11.4(c)/11.6(d)/11.7(d)/11.8(b)/12.6(a)(iii)/12.8(c)/13.2(e)/13.6(c)/14.3/14.8/14.9(c)/15.4/19.6/19.7	Not Applicable
	(iii) Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons: (Conditions 23.3)	Fair Market Value Less Costs
46.	Illegality and Regulatory Event: (Condition 29)	
	(i) Illegality and Regulatory Event:	Applicable
	(ii) Early Redemption Amount (Illegality and Regulatory Event)	Early Redemption Amount (Illegality and Regulatory Event) – Fair Market Value Less Costs
47.	Substitution of Issuer or Guarantor with non Morgan Stanley Group entities: (Condition 38.2)	Applicable
48.	Governing Law:	English law

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

49.	Form of Notes:  (Condition 3)	Registered Notes  Global Note Certificate registered in the name of a common depositary for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate.
50.	Record Date:	For so long as the Notes are represented by a Global Note Certificate, the Record Date shall be one Clearing System Business Day before the relevant due date for payment. The Record Date for Notes in definitive form shall be 15 days before the relevant due date for payment.
51.	Additional Financial Centre(s) or other special provisions relating to Payment Business Days:	New York and London
52.	Determination Agent	Morgan Stanley & Co. International plc (the " <b>Determination Agent</b> "). The Determination Agent shall act as an expert and not as an agent for the Issuer or the Noteholders. All determinations, considerations and decisions made by the Determination Agent shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive and the Determination Agent shall have no liability in relation to such determinations except in the case of its wilful default or bad faith.
53.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
54.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
55.	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
56.	Restrictions on free transferability of the Notes:	None
57.	Inconvertibility Event Provisions:  (Condition 21)	Not Applicable
58.	CNY Centre:	Not Applicable
59.	Taxation:  (i) Condition 25.1  (ii) Condition 25.4	"Additional Amounts" is Not Applicable  Implementation of Financial Transaction Tax: Applicable

60. Other terms: Not Applicable

**DISTRIBUTION**

61. (i) If syndicated, names and addresses of Managers and underwriting commitments: and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as Managers.) Not Applicable

(ii) Date of Agreement: Not Applicable

(iii) Stabilising Manager(s) (if any): Not Applicable

62. If non-syndicated, name and address of Dealer: MORGAN STANLEY TAIWAN LIMITED of 22nd Floor, 207 Tun-Hwa South Road, Sec 2, Taipei 106, Taiwan

YUANTA SECURITIES CO., LTD. of 13、 14F, No. 225, Sec. 3, Nanjing E. Rd., Taipei 104, Taiwan

E.SUN COMMERCIAL BANK, LTD. of No. 115&117, Sec.3, Minsheng E.Rd., Songshan District, Taipei, Taiwan

CATHAY UNITED BANK CO., LTD. of 2/F., No. 7, Songren Road, Taipei 11073, Taiwan, R.O.C.

FUBON SECURITIES CO., LTD. of Number 108 Dunhua South Road, Section 1, Songshan District, Taipei, Taiwan

63. U.S. Selling Restrictions: Regulation S

64. Additional Selling Restrictions: The Notes have not been, and shall not be, offered or sold, directly or indirectly, to investors other than "professional institutional investors" ("**Professional Institutional Investors**") as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the Republic of China (the "**ROC**"), which currently include: overseas or domestic (i) banks, securities firms, futures firms and insurance companies (excluding insurance agencies, insurance brokers and insurance surveyors), the foregoing as further defined in more detail in Paragraph 3 of Article 2 of the Organization Act of the Financial Supervisory Commission of the ROC, (ii) fund management companies, government investment institutions, government funds, pension funds, mutual funds, unit trusts, and funds managed by financial service enterprises pursuant to the ROC Securities Investment Trust and Consulting Act, the ROC Future Trading Act or the ROC Trust Enterprise Act or investment assets mandated and delivered by or transferred for trust by financial

consumers, and (iii) other institutions recognized by the Financial Supervisory Commission of the ROC. Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to a Professional Institutional Investor.

**Taxation**

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

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

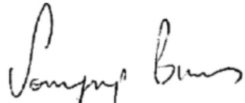
**POTENTIAL SECTION 871(m) TRANSACTION**

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

**RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By:  .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

Listing and admission to Trading: Application will be made for the Notes to be admitted to be traded on the Taipei Exchange (“**TPEX**”) with effect from the Issue Date.

No assurances can be given that such application for listing and/or admission to trading will be granted, or if granted, will be granted by the Issue Date. TPEX is not responsible for the contents of this document, the Offering Circular and any supplement or amendment thereto and no representation is made by TPEX to the accuracy or completeness of this document, the Offering Circular and any supplement or amendment thereto. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document, the Offering Circular and any supplement or amendment thereto. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes.

The Issuer has no duty to maintain the listing (if any) of the Notes on the relevant stock exchange(s) over their entire lifetime.

### 2. RATINGS

Ratings: The Notes will not be rated.

### 3. OPERATIONAL INFORMATION

ISIN Code: XS1906331878

Common Code: 190633187

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking *société anonyme* and the relevant identification number(s): Not Applicable

CFI: Not Applicable

FISN: Not Applicable

Delivery: Delivery free of payment

Names and addresses of initial Paying Agent(s): The Bank of New York Mellon  
One Canada Square  
London E14

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as

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

4. **POTENTIAL SECTION 871(M) TRANSACTION** Not Applicable

5. **PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** Applicable

6. **BENCHMARK REGULATION:** Not Applicable

7. **ROC TAXATION** *The following is a general description of the principal of ROC tax consequences for investors receiving interest in respect of, of disposing of, the Notes and is of a general nature based on the Issuer's understanding of current law and practice. It does not purport to be comprehensive and does not constitute legal or tax advice.*

*This general description is based upon the law as in effect on the date hereof and that the Notes will be issued, offered, sold or re-sold, directly or indirectly, to professional institutional investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC only. This description is subject to change potentially with retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Notes.*

#### *Interest on the Notes*

As the Issuer of the Notes is not a ROC statutory tax withholder, there is no ROC withholding tax on the interest or deemed interest to be paid on the Notes.

ROC corporate holders must include the interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 17 per cent. (unless the total taxable income for a fiscal year is under NT\$120,000), as they are subject to income tax on their worldwide income on an accrual basis. The alternative minimum tax (“**AMT**”) is not applicable.

#### *Sale of the Notes*

In general, the sale of corporate bonds or financial bonds is subject to a 0.1 per cent. securities transaction tax (“**STT**”) on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act of the ROC prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Notes will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

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



## INVESTOR REPRESENTATIONS

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

- a) (i) you are purchasing the instruments as principal (and not as agent or in any other capacity); (ii) none of the Issuer, the Dealer or their affiliates is acting as a fiduciary or an advisor to it in respect of the instruments; (iii) you are not relying upon any representations made by the Issuer, the Guarantor or any of their affiliates; (iv) you have consulted with your own legal, regulatory, tax, business, investments, financial, and accounting advisers to the extent that you have deemed necessary, and you have made your own investments, hedging and trading decisions based upon your own judgement and upon any advice from such advisors as you have deemed necessary and not upon any view expressed by the Issuer or any of its affiliates or agents and (v) you are purchasing the instruments with a full understanding of the terms, conditions and risks thereof and you are capable of and willing to assume those risks;
- b) you shall only distribute as principal or, alternatively, acting on a commission basis in your own name for the account of your investors and will not do so as agent for any Morgan Stanley & Co. International plc entity (together “**Morgan Stanley**”) who shall assume no responsibility or liability whatsoever in relation to any such distribution. You shall distribute the product in your own name and to such customers as you identify in your own discretion, at your own risk and under your sole responsibility. You shall make such enquiries you deem relevant in order to satisfy yourself that prospective investors have the requisite capacity and authority to purchase the product and that the product is suitable for those investors;
- c) you shall not make any representation or offer any warranty to investors regarding the product, the Issuer or Morgan Stanley or make any use of the Issuer’s or Morgan Stanley’s name, brand or intellectual property which is not expressly authorised and you shall not represent you are acting as an agent of Morgan Stanley in such distribution. You acknowledge that neither the Issuer nor Morgan Stanley assume any responsibility or liability whatsoever in relation to any representation or warranty you make in breach hereof;
- d) if you distribute any material prepared and transmitted by the Issuer or by Morgan Stanley, you shall only distribute the entire material and not parts thereof. Any material you, or any third party you engage on your behalf, prepare shall be true and accurate in all material respects and consistent in all material respects with the content of the Base Prospectus or Offering Circular and the Pricing Supplement and shall not contain any omissions that would make them misleading. You shall only prepare and distribute such material in accordance with all applicable laws, regulations, codes, directives, orders and/or regulatory requirements, rules and guidance in force from time to time (“**Regulations**”). You acknowledge that neither the Issuer nor Morgan Stanley shall have any liability in respect of such material which shall, for the avoidance of doubt, at all times be your sole responsibility;
- e) you will not, directly or indirectly, distribute or arrange the distribution of the product or disseminate or publish (which for the avoidance of doubt will include the dissemination of any such materials or information via the internet) any materials or carry out any type of solicitation in connection with the product in any country or jurisdiction, except under circumstances that will result in compliance with all applicable Regulations and selling practices, and will not give rise to any liability for the Issuer or Morgan Stanley. For the avoidance of doubt, this includes compliance with the selling restrictions mentioned herein;
- f) if you receive any fee, rebate or discount, you shall not be in breach of any Regulation or customer or contractual requirements or obligations and you shall, where required to do so (whether by any applicable Regulation, contract, fiduciary obligation or otherwise), disclose such fees, rebates and discounts to your investors. You acknowledge that where fees are payable, or rebates or discounts applied, the Issuer and Morgan Stanley are obliged to disclose the amounts and/or basis of such fees, rebates or discounts at the request of any of your investors or where required by any applicable Regulations.

- g) you will be committed to purchase at the issue price stated in the term sheet for these Notes (or at the price otherwise agreed between us) instruments, when issued, in the agreed quantity and having terms, as provided in the definitive documentation, consistent with those in the term sheet (subject to any modifications agreed between us);
- h) we may enter into hedging or other arrangements in reliance upon your commitment, and, if you fail to comply with your commitment, your liability to us shall include liability for our costs and losses in unwinding such hedging or other arrangements;
- i) you agree and undertake to indemnify and hold harmless and keep indemnified and held harmless the Issuer, the Dealer and each of their respective affiliates and their respective directors, officers and controlling persons from and against any and all losses, actions, claims, damages and liabilities (including without limitation any fines or penalties and any legal or other expenses incurred in connection with defending or investigating any such action or claim) caused directly or indirectly by you or any of your affiliates or agents to comply with any of the provisions set out in (a) to (i) above, or acting otherwise than as required or contemplated herein.
- j) You are not purchasing the Notes as an extension of credit to Morgan Stanley pursuant to a loan agreement entered into in the ordinary course of your trade or business.