

For non U.S. Persons only

27 December 2017

Morgan Stanley Finance LLC CNY 35,000,000 Fixed Rate Note due 2022 (the “Notes”)

TERMSHEET NOT FOR GENERAL DISTRIBUTION

This term sheet is directed to the recipient only and is not to be reproduced or forwarded to any other party.

WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This product involves significant risks. Do not invest in it unless you fully understand and are willing to assume the risks associated with it. If you are in any doubt about the risks involved in the product, you may clarify with the intermediary or seek independent professional advice.

THE NOTES 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 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 OR BENEFIT OF A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).** IN PURCHASING THE NOTES, YOU HEREBY REPRESENT AND WARRANT THAT YOU ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT YOU ARE NOT PURCHASING FOR, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON. THE NOTES ARE EXPETED TO BE RATED BY MOODY’S OR FITCH.

This document is a summary only of the terms of the Notes and does not purport to be complete. This termsheet (and any other communication, whether oral or written, made in relation to the Notes), is subject to, and shall be superseded entirely by, the Base Prospectus for Notes dated 10 October 2017 as supplemented from time to time up to the Issue Date (the “Offering Circular”) relating to the Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates and the signed Pricing Supplement (to be dated on or about the issue date of the Notes) relating to the Notes. Copies of these documents are available upon request.

The Notes are senior unsecured obligations of Morgan Stanley Finance LLC and Morgan Stanley, and all payments on the notes, including the repayment of principal, are subject to the credit risk of Morgan Stanley Finance LLC and Morgan Stanley. The Notes are not bank deposits and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank.

NOT FOR DISTRIBUTION TO US BASED INVESTORS

ISSUER	Morgan Stanley Finance LLC
GUARANTOR	Morgan Stanley

EXPECTED ISSUE RATING	A3 (Moody's)
TYPE	EMTN
SPECIFIED CURRENCY	Chinese Yuan ("CNY")
NOTIONAL AMOUNT	CNY 35,000,000 ("Par")
TRADE DATE	27 December 2017
ISSUE DATE	3 January 2018
MATURITY DATE	3 January 2022
ISSUE PRICE	100.00% of Par
FINAL REDEMPTION AMOUNT	100.00% of Par
INTEREST RATE	4.00% per annum
INTEREST CALCULATION PERIOD	Each period from and including an Interest Period End Date to but excluding the next Interest Period End Date, except that the first Interest Calculation Period shall commence on (and include) the Issue Date and end on (but exclude) the first Interest Period End Date
INTEREST PERIOD END DATE	3 January, 3 July, in each year, from and including 3 July 2018, to and including the Maturity Date, in each case subject to no adjustment
INTEREST PAYMENT DATE	3 January, 3 July, in each year, from and including 3 July 2018, to and including the Maturity Date, in each case as adjusted in accordance with the Modified Following Business Day Convention
EARLY REDEMPTION AT THE OPTION OF THE ISSUER	Not Applicable
EARLY REDEMPTION AMOUNT (EVENT OF DEFAULT)	Means, in the case of acceleration of the Notes under Condition 20 (Events of Default), an amount equal to the principal amount of the Notes, together with accrued but unpaid interest (if any).
DAY COUNT FRACTION	30/360
BUSINESS DAY CONVENTION	Modified Following
BUSINESS DAYS	New York, London, Taipei, Hong Kong
CNY DISRUPTION EVENT	Applicable
LISTING	Luxembourg Stock Exchange
DENOMINATION	CNY 50,000 and integral multiples of CNY 1,000 in excess thereof up to and

	including CNY 99,000
PROHIBITION OF SALES TO EEA RETAIL INVESTORS	Not Applicable
DETERMINATION AGENT	Morgan Stanley & Co. International plc
DEALER	Morgan Stanley & Co. International plc
PAYING AGENT/FISCAL AGENT	The Bank of New York Mellon
CLEARING AGENT	Euroclear/Clearstream, Luxembourg
DOCUMENTATION	Final Terms (to be dated on or about the issue date of the Notes) in conjunction with the Base Prospectus for Notes dated 10 October 2017 for the Issuer's Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates as supplemented from time to time up to the Issue Date.
FORM OF NOTES	Registered
ISIN	XS1538857613
COMMON CODE	153885761
GOVERNING LAW	English

Transactions are complex and may involve a high risk of loss. Prior to purchasing the Notes you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgment and advice from those advisers you consider necessary. Save as otherwise expressly agreed in writing, the Issuer is not acting as your financial adviser or fiduciary with respect to your purchase of the Notes. This document is for information purposes only and should not be construed as an offer, personal recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice.

Morgan Stanley & Co. International plc 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.

‘Key Risk Factors

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.

Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgement and advice from those advisers you consider necessary. Save as otherwise expressly agreed in writing, the Issuer is not acting as your financial adviser or fiduciary with respect to your purchase of the Notes. This document is for information purposes only and should not be construed as an offer, personal recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice.

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 the Notes. This section highlights some of those risks, but is not a complete list of the risks inherent in a Note investment.

Not a time deposit: The Note is NOT equivalent to, nor should it be treated as a substitute for, time deposit. It is NOT a protected deposit and is NOT protected by the Deposit Protection Scheme in Hong Kong.

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 such circumstances, the Determination Agent can determine whether to redeem the Notes early, or adjust the terms of the Notes. Potential investors should see the Offering Circular for a detailed description of potential adjustment events and adjustments.

Credit Risk: The holder of the Note will be exposed to the credit risk of the Issuer and the Guarantor. The Notes are essentially a loan to the Issuer that the Issuer and the Guarantor promise to pay to you at maturity. There is the risk, however, that the Issuer and the Guarantor 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 and the Guarantor. You may lose all or part of your investment if the Issuer and the Guarantor are unable to pay the redemption amount and/or go 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 or the Guarantor, and the holders of the Notes will rank behind creditors who have priority rights over certain assets of the Issuer of the Guarantor.

Market Risk: The Notes are denominated, and all payments will be made, in Chinese Yuan. There are risks inherent in investments in notes denominated and payable in Chinese Yuan for investors whose home and/or functional currency is not Chinese Yuan. 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 Note will depend on numerous factors including interest rates, interest rate volatility, perceptions of issuer’s credit quality and time remaining to maturity. Depending on the actual or anticipated level of any of the above, 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.

Early Redemption of the Notes for taxation reasons: Under the terms of the Notes, the Issuer is also entitled to early redeem the Notes if the Issuer is required to deduct or withhold any taxes as more particularly set out in the Conditions relating to the Notes. In such circumstances, investors may receive an amount which is less than the principal amount of the Notes.

Reinvestment risk: If the Notes are early redeemed in accordance with the terms and conditions of the Notes, investors should note when he/she reinvests the proceeds into another product or instrument, the terms of such product or instrument may not be as favourable as those of 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. Morgan Stanley is not obliged to make a secondary market in the Notes. When Morgan Stanley purchases Notes, the bid/offer spread in most cases may be wider than plain vanilla corporate, supranational or agency bonds.

Certain Conflicts of Interest: With respect of the Notes, various potential and actual conflicts of interest may arise. Morgan Stanley & Co. International plc 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 investments banking services for the issuers of such securities and instruments. In addition, Morgan Stanley & Co. International plc 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 Morgan Stanley & Co. International plc. The Determination Agent is 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 may affect the amounts payable to the Noteholder.

Tax Considerations: Special tax considerations may apply to certain types of taxpayers. Prospective investors are urged to consult with their own tax advisors to determine any tax implications of this investment. A Non-U.S. holder will be subject to U.S. withholding tax unless the beneficial owner of the note (or a financial institution holding the note on behalf of the beneficial owner) furnishes the appropriate Form W-8, on which the beneficial owner certifies under penalties of perjury that it is not a U.S. person. If withholding or deduction of taxes is required by law (regardless of whether a holder furnished an appropriate form), payments on the notes will be made net of applicable withholding taxes, and Morgan Stanley will not be required to pay any additional amounts to Non-U.S. holders with respect to any taxes withheld.

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 may distribute these notes at a price other than the issue price.

Selling Restrictions

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.

UNITED STATES OF AMERICA: THE NOTES 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 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 OR BENEFIT OF A U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT).** IN PURCHASING THE NOTES, YOU HEREBY REPRESENT AND WARRANT THAT YOU ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT YOU ARE NOT PURCHASING FOR, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON. THE NOTES ARE EXPECTED TO BE RATED BY MOODY'S OR FITCH.

EUROPEAN ECONOMIC AREA MEMBER STATES: 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 offeror, 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.

HONG KONG: This term sheet is being disseminated in Hong Kong by Morgan Stanley Asia Limited. This term sheet and its contents have not been reviewed by any regulatory authority in Hong Kong. Accordingly, no person may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the applicable securities law of Hong Kong) other than with respect to the Notes which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Chapter 571 of Hong Kong) and any rules made under that Ordinance.

SINGAPORE: This term sheet is being disseminated in Singapore by Morgan Stanley Asia (Singapore) Pte. and has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this term sheet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where Notes are subscribed or purchased under Section 275 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interests (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant to an offer made under Section 275 except:

- (1) to an institutional investor (for corporations under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law or
- (4) as specified in Section 276(7) of the SFA.

The Notes are offered through Morgan Stanley Asia (Singapore) Pte., an entity regulated by the Monetary Authority of Singapore.

Taiwan: The Notes may not be sold, offered or issued to Taiwan resident investors unless (i) they are made available outside Taiwan for purchase outside Taiwan by such investors and/or (ii) through licensed Taiwan financial institutions (including bank trust departments, licenced securities brokers and/or insurance company investment linked insurance policies) to the extent permitted under relevant Taiwan laws and regulations, and may not be sold, resold or distributed in Taiwan to other Taiwanese resident investors other than in accordance with Taiwan laws and regulations.

Each purchaser, broker or sub-broker of the Notes confirms that the purchase of the Notes will not cause the purchaser, broker or sub-broker to be in violation of any Republic of China, Taiwan ("R.O.C." or "Taiwan") law or regulation or internal rules required to be adopted in accordance with any R.O.C. laws or regulations or otherwise applicable to the purchaser, broker or sub-broker.

Investor Representations

This term sheet is not an offer or a solicitation to buy or sell the instrument described in this term sheet. However, if you agree with us (whether by telephone or otherwise) that you will purchase instruments of the kind described in this term sheet (subject to any modifications agreed between us) (the "**Notes**") your purchase will be deemed to include the following representations, warranties, undertakings and acknowledgements (the "**purchaser**" in the following text being you):

(A) The purchaser represents and undertakes to the Issuer, the Guarantor (if any), the Dealer and each of their affiliates that (i) it is purchasing the Notes 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 Notes; (iii) it is not relying upon any representations made by the Issuer, the Guarantor (if any), the Dealer or any of their affiliates; (iv) it has consulted with its own legal, regulatory, tax, business, investments, financial, and accounting advisers to the extent that it has deemed necessary, and it has made its own investments, hedging and trading decisions based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer or any of its affiliates or agents, (v) it is purchasing the Notes with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks and (vi) it is not purchasing the Notes as an extension of credit to Morgan Stanley pursuant to a loan agreement entered into in the ordinary course of its trade or business;

(B) The purchaser acknowledges and agrees that the Issuer, the Guarantor (if any), the Dealer and each of their affiliates are not providing and have not provided investment advice to it or its investors in relation to any Notes. It has taken and shall take its own advice and it agrees to make its own independent assessment of whether the Notes are suitable and appropriate investments for it and, if it on-sells the Notes, its investors and it agrees and acknowledges it has not relied and is not relying on any advice, counsel or representations (whether oral or in writing) of the Issuer, the Guarantor (if any), the Dealer or any of their affiliates as a recommendation to purchase the Notes or as any form of investment advice;

(C) The purchaser represents and undertakes to the Issuer, the Guarantor (if any), the Dealer and each of their affiliates (i) that it has not offered and will not offer the Notes to persons in any Member State of the European Economic Area, except in circumstances which do not result in any breach of the EU Prospectus Directive (2003/71/EC and any implementing measures in each Member State) (the "**Directive**"), as amended by Directive 2010/73/EC, by the offeror, the Issuer or the Dealer (whether as placement agent or dealer or in any other capacity) or any of their respective affiliates; and (ii) not to make an offer of the Notes in respect of which the publication of a prospectus is not required solely by virtue of the application of article 3(2)(b) (offers to fewer than 150 natural or legal persons) of the Directive;

(D) The purchaser (i) undertakes to the Issuer, the Dealer and each of their affiliates that it will not, directly or indirectly, offer, sell or arrange the sale of any Note or distribute or publish any offering materials in connection with the Notes (in either case in any manner whatsoever, including via the internet) in any country or jurisdiction, except under circumstances that will result in compliance with any applicable law and regulations (including, for the avoidance of doubt, Rule 903(a) and 903(b)(2) of Regulation S of the Securities Act); (ii) acknowledges that the Notes have not been and will not be registered under the Securities Act or any securities laws of any state of the United States and are subject to U.S. tax requirements; (iii) agrees that the purchaser and each of its affiliates will not offer, sell, transfer or deliver, at any time, any of the Notes, directly or indirectly, in 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 for the account or benefit of any U.S. Person (as defined in Regulation S under the Securities Act); and (iv) undertakes to the Issuer, the Dealer and each of their affiliates that all offers, sales and arrangements of sales of any Notes by it will be made on terms requiring the person(s) with whom it is dealing to undertake as set out in (i), (ii) and (iii) above;

(E) The purchaser acknowledges and agrees that its clients and any person to whom it on-sells any Notes (whether or not identified to Morgan Stanley & Co. International Plc ("**MSIP**")) will remain the purchaser's sole responsibility and will not become clients or customers of MSIP for the purposes of the rules and guidance of

the Financial Conduct Authority of the UK ("**FCA**") published by the FCA in its handbook from time to time. It further represents, warrants and agrees that it shall, and it will procure that its affiliates shall, include a disclaimer prominently in each marketing material prepared by it or on its behalf to the effect that, inter alia, none of the Issuer, MSIP nor any of their respective directors, officers, employees, agents or affiliates (each a "**Person**") has been involved in the preparation of the information nor has issued nor approved it and that accordingly no Person takes any responsibility for such information or makes any representation or warranty regarding the accuracy, completeness or adequacy of such information and no liability to any party is accepted by any Person in connection with such information. The purchaser represents and undertakes that any marketing materials are or will be true and accurate in all material respects and consistent in all material respects with the contents of the relevant prospectus and do not and shall not contain any omissions that would make them misleading. In the event that the purchaser or any affiliate of it prepares any advertising or promotional materials with respect to the Notes it shall obtain all applicable consents and approvals and it shall also obtain the express prior written consent of the Issuer or the relevant affiliate must be obtained for any reference therein to the Issuer or any of its affiliates;

(F) You will be committed to purchase at the issue price stated in the term sheet (or at the price otherwise agreed between us) the Notes, when issued, in the agreed quantity and having terms, as provided in the definitive documentation, consistent with those in this term sheet (subject to any modifications agreed between us);

(G) The Issuer, the Guarantor (if any), Dealer or their affiliates may enter into hedging or other arrangements in reliance upon your commitment, and, if you fail to comply with your commitment, your liability to those entities shall include liability for our costs and losses in unwinding such hedging or other arrangements;

(H) The purchaser represents that it has the requisite capacity and authority to purchase the Notes, its purchase of the Notes is in compliance with its internal guidelines and any regulatory guidelines applicable to it, and it has obtained all requisite licenses, consents and regulatory approvals to enter into this transaction and to on-sell any Notes to any investors; and all such regulatory approvals are valid and subsisting;

(I) The purchaser shall comply and shall procure that its affiliates, as appropriate, shall comply, with all applicable selling restrictions in respect of the sale of the Notes in any jurisdiction, including, without limitation those set out in the prospectus, and restrictions and requirements set out in the issue documents and any other regulations relating to the offer, sale or transfer of any Notes;

(J) The purchaser shall not distribute the Notes to any investors or in a manner such that MSIP or the relevant Issuer would be required to file or register a prospectus in any jurisdiction;

(K) Where the purchaser receives any fee, rebate or discount it shall not be in breach of any regulations or customer or contractual requirements or obligations and it shall, where required to do so (whether by any applicable regulation, contract, fiduciary obligation or otherwise), disclose such fees, rebates and discounts to its investors. It acknowledges that where fees are payable, or rebates or discounts applied, the relevant Issuer the Guarantor (if any), and MSIP may disclose any fee, rebate or discount and the basis of such fees, rebates or discounts if required by any applicable law or regulation;

(L) The purchaser agrees that it shall only offer and on-sell the Notes under circumstances which will result in compliance with all applicable laws and regulations, codes of conduct and selling practices, including but not limited to investment intermediaries laws, prospectus and public offer laws and anti-money laundering laws and regulations, to prospective investors who are sophisticated and capable of assessing and assuming the risks associated with an investment in the Notes. The purchaser will either (i) obtain representations, warranties, undertakings and indemnities (corresponding to those given by the purchaser herein) from such investor in such a form that would be directly enforceable by the Issuer, the Guarantor (if any), MSIP and any affiliates or (ii) take responsibility for the acts and omissions of such prospective investors;

(M) The purchaser agrees that any purchase of the Notes from MSIP and any on-sale of such Notes by it shall be effected as principal and not as agent for MSIP or the Issuer each of whom shall assume no responsibility or liability whatsoever in relation to any such transaction. Neither the purchaser nor any of its affiliates has authority to, nor shall not make any representation or offer any warranty to investors regarding the Notes, the Issuer or MSIP. Neither the Issuer the Guarantor (if any), nor MSIP assume a responsibility whatsoever in relation to any representation or warranty made by the purchaser in breach hereof;

(N) It shall not appoint any agent other than its affiliates to act on its behalf in relation to any marketing or on-sale of any Notes. Where the purchaser distributes through its affiliates, it represents and agrees that it shall notify any affiliate appointed by or acting as purchaser on its behalf of the terms outlined herein and shall procure that any such affiliate shall observe those terms; and

(O) The purchaser agrees that no element of this transaction shall constitute, or be deemed to constitute, a partnership between the parties nor shall it constitute, or be deemed to constitute, either party as the agent of the other party for any purpose;

(P) The purchaser represents and agrees that neither it nor any of its affiliates has conducted or will conduct, directly or indirectly, or has allowed or will allow any marketing activities to any person or entity in relation to the Notes in the People's Republic of China (excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region or Taiwan, the "PRC"), which would constitute carrying out business in the PRC or otherwise violate any applicable laws and regulations of the PRC;

(Q) The purchaser has not made and will not make any representations, warranties or other statements intended to have legal effect on behalf of the Issuer, the Dealer or any of their affiliates and it is solely responsible for purchasing the Notes;

(R) If the purchaser on-sells the Notes, it has been and will be solely responsible for assessing the suitability of the sale of the Notes to prospective investors and ensuring that any required, appropriate and suitable disclosure and documentation in respect of the Notes is supplied to such investors and it has been and will be solely responsible for ensuring that relevant staff have the necessary training, skills and knowledge to understand the terms, conditions and risks of the Notes such that they are capable of adequately performing the suitability assessment;

(S) The purchaser is currently in compliance, and undertakes to remain in compliance, with all applicable anti-money laundering and anti-bribery laws and regulations or practices and undertakes to comply with any request by the Issuer to provide any and all information (unless precluded by applicable law) in respect of its compliance with any such anti-money laundering and anti-bribery laws and regulations relating to the Notes;

(T) The purchaser has not used and undertakes not to use any advertising, promotional, offering or other materials or logos, supplied by or referred to the Issuer in respect of the Notes, without the Issuer's prior written approval; and

(U) If the purchaser on-sells the Notes, it has performed and will perform any associated activities and actions in a manner consistent with the established practice for the on-sale of the Notes;

2. The purchaser itself agrees and undertakes to indemnify and hold harmless and keep indemnified and held harmless the Issuer, the Guarantor (if any), 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 the purchaser or any affiliate or agent of it breaching any of the provisions set out in the representations herein, or acting otherwise than as required or contemplated herein and/or in connection with an on-sale of the Notes by the purchaser.

In consideration of the Issuer and/or the Dealer from time to time offering and selling Notes to you, the purchaser agrees that the above representations, warranties, agreements, undertakings and indemnity are given for the benefit of the Issuer the Guarantor (if any), and the Dealer and each of such entities' directors, officers, employees, agents, controlling persons and respective affiliates, each of which may enforce such rights separately and directly in accordance with their terms and the Contracts (Rights of Third Parties) Act 1999.

The purchaser agrees that the terms set out in this term sheet shall be governed by and construed in accordance with the internal laws of England and Wales. The purchaser hereby (i) irrevocably submits to the exclusive jurisdiction of English courts for purposes of any legal action or proceeding arising out of or relating to this term sheet and (ii) irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any legal action or proceeding in any English court and any claim that any such action or proceedings brought in any such court has been brought in an inconvenient forum. The purchaser agrees that a final judgment in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

The purchaser agrees that the terms set out in this termsheet and any non-contractual obligations arising out of or in connection with them are governed by English law. The purchaser agrees that the courts of England have exclusive jurisdiction to settle any disputes in connection with the terms set out in this termsheet and accordingly submits to the jurisdiction of the English courts.

Prior to our acceptance, the proposed terms of the purchase of the Notes set out in this term sheet shall be deemed to constitute an invitation to you (the purchaser) to make an offer in relation to such terms by signing this term sheet. A contract between you and us in respect of this proposed purchase shall arise only at the time we give our written or oral acceptance of your offer. It shall not be made at the time or place of (a) receipt by you of our invitation to treat or (b) receipt by us of this term sheet bearing your signature. Such a contract shall be made only at the time and place when and where we give our acceptance. No acceptance shall be made in the Republic of China.

We hereby acknowledge your invitation to make an offer in relation to the specified quantity of Notes on the terms set out in this termsheet and we make an offer to you on such terms (subject to any modifications agreed between us)

Important Information

THE NOTES ARE ONLY SUITABLE FOR SOPHISTICATED INVESTORS. PROSPECTIVE INVESTORS WILL BE REQUIRED TO ACKNOWLEDGE OR WILL HAVE BEEN 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 ISSUER AND ITS ECONOMIC CIRCUMSTANCES AS THEY THINK APPROPRIATE, AND HAVE CONSULTED WITH THEIR OWN LEGAL, INVESTMENT, ACCOUNTING AND TAX 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.

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