

Dual Index Plan - Issue Two (Kick-Out)

Potential Return at Maturity

If, after six years (25th July 2016), both Indices close at or above their Initial Index Levels, you will receive 100% of your Initial Capital, plus additional capital growth of 90%.

Potential Early Maturity after 1, 2, 3, 4 or 5 years

If, after one year (25th July 2011) both the FTSE™ 100 Index and the S&P 500 Index have closed at or above their Initial Index Levels the Plan will close and you will receive 100% of your initial capital plus additional capital growth of 15%.

If, after two, three, four or five years (23rd July 2012, 23rd July 2013, 23rd July 2014 or 23rd July 2015), both the Indices have closed at or above their Initial Index Levels the Plan will close and you will receive 100% of your initial capital, plus additional capital growth of 30%, 45%, 60% or 75% respectively.

Conditional Capital Protection at Maturity

If the Plan has not matured early and if, on 25th July 2016, one or both of the Indices close below their Initial Index Levels but neither Index has fallen below 50% of their Initial Index Levels during the Investment Term, the plan will return 100% of the original capital invested, but no capital growth.

If one, or both, of the Indices have fallen below 50% of their Initial Index Levels during the Investment Term and both Indices have not recovered to the same level as, or higher than, their relevant Initial Index Level on 25th July 2016, capital is at risk and there will be a capital reduction.

This capital reduction (if any), will be determined by the worst performing index on the 25th July 2016. Capital will be reduced by 1% for every 1% the worst performing index is below its Initial Index Level (and part thereof).

Capital Return

You will normally receive your initial capital back with any returns from the Plan and less any capital reduction, if any, approximately 14 business days after the end of the Investment Term or any anniversary date, subject to timely receipt of maturity or sale proceeds from the Issuer.

Investment Start Date

23rd July 2010

Investment Term

Six years

Investment End Date

25th July 2016

Underlying Indices

FTSE™ 100 Index and S&P 500

Initial Index Levels

Closing Levels on 23rd July 2010

FTSE™ 100 Index – 5312.62

S&P 500 – 1102.66

Anniversary Dates

25th July 2011, 23rd July 2012, 23rd July 2013, 23rd July 2014, 23rd July 2015 & the Investment End Date, 25th July 2016

Final Index Levels

Closing Levels on 25th July 2016

Capital at Risk

If one or both Indices have fallen below 50% of their Initial Index Levels during the Investment Term and both have failed to recover to their Initial Index Level, or higher, by the end of the 6 year term.

Issuer of Securities

Morgan Stanley

If you require a copy of the full brochure and terms & conditions for your records, please contact client services on 020 3100 8880, email wcsi@wcgplc.co.uk or contact your Financial Adviser