

UK Fixed Income Plan Issue 1 (MS003)

Offer Closes **12 December 2018**

Morgan Stanley & Co. International plc

Six year term

Fixed quarterly income payments
of 1% (4% p.a.)

Your investment is at risk if the FTSE 100
Index is below 60% of its Initial Index
Level on the Investment End Date



This brochure has been prepared as a financial promotion by Walker Crips Structured Investments, a trading name of Walker Crips Stockbrokers Limited, which is authorised and regulated by the Financial Conduct Authority, and is part of the Walker Crips Group plc.

Walker Crips Group plc is a UK financial services company, listed on the London Stock Exchange, which provides wealth management, pensions, stockbroking services and structured investment products. Through acquisitions, the company can trace its roots as far back as the 18th century, making it one of the City of London's oldest companies.

Walker Crips Structured Investments is a specialist division which provides carefully considered investment opportunities to investors through professional financial intermediaries. We do not ourselves give investment advice, instead we focus on the design and administration of our structured investments.

The Counterparty for this Plan is Morgan Stanley & Co. International plc. Morgan Stanley & Co. International plc or its affiliates are not responsible for the contents of this brochure, and nothing in this document should be considered a representation or warranty by Morgan Stanley & Co. International plc to any person regarding whether investing in the Plan is suitable or advisable for such a person.

This brochure contains important information to help you decide whether this investment is right for you and should be read alongside the Key Information Document (KID) prepared by Morgan Stanley & Co. International plc. The information in this brochure does not constitute tax, legal or investment advice.

For more information about us, please contact Walker Crips Structured Investments on 020 3100 8880, email wcsi@wcgplc.co.uk or visit our website www.wcgplc.co.uk

Who is this Plan intended for?

This Plan is designed for UK investors with the investment characteristics outlined in the section entitled 'Is this Plan right for me?' on page 10.

We can only accept applications to invest in this Plan where you have received a personal recommendation from a financial adviser.

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At a glance

| | |
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| Product type | Fixed Income |
| Income payments | 1% payable every 3 months (equivalent to 4% per annum) |
| Investment Term | Six years |
| Underlying Index | FTSE 100 Index |
| Risk to your Initial Investment | You will receive back significantly less than you initially invested if the Closing Level of the FTSE 100 Index is below 60% of its Initial Index Level on the Investment End Date. |
| Counterparty risk | The Counterparty for this Plan is Morgan Stanley & Co. International plc. If Morgan Stanley & Co. International plc were to fail or become insolvent, you could lose some or all of your investment and any remaining income payments, irrespective of the performance of the FTSE 100 Index. |
| Early withdrawal | If you need to withdraw your investment in the Plan before the Investment End Date you may receive back less than you invested. |
| Underlying Securities Information | The underlying securities for this Plan are medium term notes issued by Morgan Stanley & Co. International plc. |
| ISIN | GB00BZVR0B50 |
| Listing | Luxembourg Stock Exchange |

This Plan is open to anyone aged 18 or over who is resident and ordinarily resident in the UK for tax purposes. This Plan may not be offered or sold within the United States or to, or for the account or benefit of a US resident or US Persons (as defined by the Securities Act 1933).

| | |
|-------------------------------|--|
| Application deadline | 12 December 2018 (The offer period may close early if the Plan is fully subscribed) |
| ISA transfer deadlines | 21 November 2018 (Stocks & Shares ISA transfer) 28 November 2018 (Cash ISA transfer) |
| Investment Start Date | 19 December 2018 |
| Investment End Date | 19 December 2024 |
| Initial Index Level | The Closing Level of the FTSE 100 Index on the Investment Start Date. |
| Final Index Level | The Closing Level of the FTSE 100 Index on the Investment End Date. |
| Investment options | Direct investment (individual and joint investment) Stocks & Shares ISA investment ISA transfer SIPP (Self Invested Personal Pension) SSAS (Small Self-Administered Scheme) Trust, corporate and charity investment |
| Minimum investment | £10,000 |

If the Closing Level of the Index is not published by the Index Sponsor on either the Investment Start Date or the Investment End Date, the next Scheduled Trading Day will be used to determine the Closing Level of the Index.

Your income payments

The UK Fixed Income Plan will provide you with income payments of 1% of your Initial Investment, payable every three months from April 2019 (equivalent to 4% per annum). The table below illustrates the amount of income that you will receive depending on your Initial Investment in the Plan.

| Investment amount | Quarterly income payments | Total income payable (per annum) | Total income payable (over 6 years) |
|-------------------|---------------------------|----------------------------------|-------------------------------------|
| £10,000 | £100 | £400 | £2,400 |
| £25,000 | £250 | £1,000 | £6,000 |
| £50,000 | £500 | £2,000 | £12,000 |
| £75,000 | £750 | £3,000 | £18,000 |
| £100,000 | £1,000 | £4,000 | £24,000 |
| £125,000 | £1,250 | £5,000 | £30,000 |

Income payments will be paid by the Issuer, Morgan Stanley & Co. International plc, to the Plan Manager, Walker Crips, on or before 7th of each April, July, October and January.

Your income payments will be paid to your Walker Crips Account upon receipt from the Issuer. From your Walker Crips Account, you may choose for the funds to be transferred directly to your bank account, or you may prefer to accumulate funds in your Walker Crips Account pending your later instruction. You will be asked to confirm your preference during the Plan subscription process. If you elect to have your income payments paid to your bank account, you should expect to receive each payment within 10 business days of the Plan Manager's receipt of the funds from the Issuer.

The Plan will provide a total of twenty-four income payments. The final income payment will be applied to your Walker Crips account on or before 7 January 2025, which is shortly after the Investment End Date.

Income payments cannot be reinvested into the Plan and you are not able to add to your Initial Investment after the Plan Start Date.

The Index underlying the Plan is the FTSE 100 Index. Your income payments are fixed and will not be affected by the performance of the FTSE 100 Index during the Investment Term. However, in order to provide the level of fixed income, the Plan is structured to put your Initial Investment at risk on the Investment End Date. **If the Final Index Level of the FTSE 100 Index is below 60% of the Initial Index Level you will lose a significant proportion of your Initial Investment.**

Page 6 describes in detail the effect the Final Index Level may have on repayment of your Initial Investment.



The risk to your Initial Investment

Repayment of your Initial Investment at the end of the six year Investment Term will depend on the Final Index Level of the FTSE 100 Index compared with the Initial Index Level.

There are two possible scenarios on the Investment End Date:

- If the Final Index Level is at or above 60% of the Initial Index Level your Initial Investment will be repaid to you in full.
- If, however, the Final Index level is below 60% of the Initial Index Level, repayment of your Initial Investment will be reduced by 1% for every 1% the Final Index Level is below the Initial Index Level.

The table below illustrates how repayment of your Initial Investment will be affected by the Final Index Level of the FTSE 100 Index on 19 December 2024.

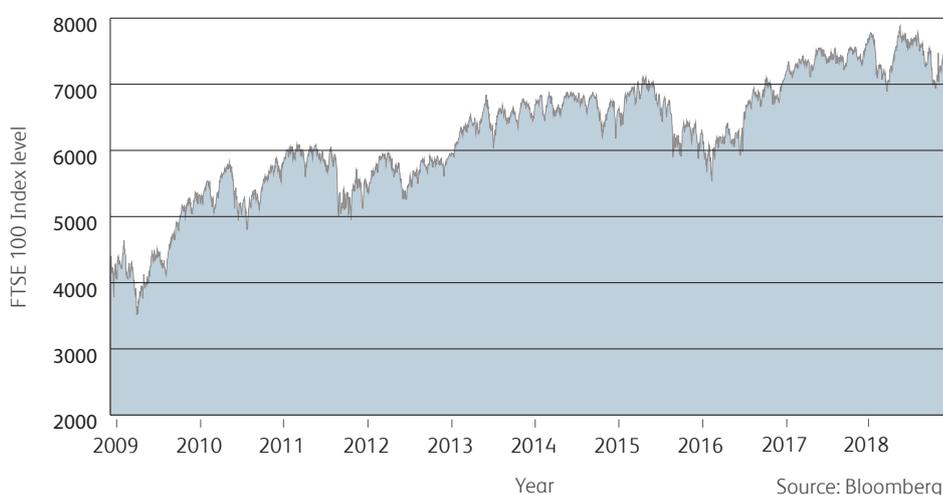
| Initial Index Level | Final Index level | Where is the Final Index Level in relation to the Initial Index Level? | Is the Final Index Level below 60% of the Initial Index Level? | How much of my Initial Investment will be repaid to me? |
|---------------------|-------------------|--|--|---|
| 7000 | 8400 | 20% | No | 100% |
| 7000 | 7700 | 10% | No | 100% |
| 7000 | 7000 | 0% | No | 100% |
| 7000 | 5600 | -20% | No | 100% |
| 7000 | 4200 | -40% | No | 100% |
| 7000 | 4130 | -41% | Yes | 59% |
| 7000 | 1750 | -75% | Yes | 25% |
| 7000 | 0 | -100% | Yes | 0% |

Irrespective of the performance of the FTSE 100 Index, your Initial Investment and the remaining income payments are at risk if the Counterparty, Morgan Stanley & Co. International plc, were to fail or become insolvent.

The FTSE 100 Index

Your money is not invested directly into the FTSE 100 Index. However, as repayment of your Initial Investment is dependent on the performance of the Index, it is important to understand what it is and how it could affect your money.

The FTSE 100 Index is a share index which represents the performance of the UK's 100 largest companies listed on the London Stock Exchange. The Index includes many household names such as GlaxoSmithKline, HSBC and Vodafone. It is a price index which means that it is based solely on share prices and does not take into account return from dividends.



Based on an example, if the Initial Index Level for the FTSE 100 Index was 7000, your Initial Investment would be at risk if the FTSE 100 Index closed below 4200 (60% of the Initial Index Level) on the Investment End Date.

The Index can fall as well as rise and past performance is not a reliable indicator of future performance. The Plan is subject to a maximum return and therefore the return you receive could be lower than if you invested directly in the shares of the companies which comprise the FTSE 100 Index. Additionally, you will not receive dividend income from those companies.

Counterparty risk

The UK Fixed Income Plan is a structured investment plan provided and administered by Walker Crips. The Counterparty for this Plan is Morgan Stanley & Co. International plc.

An investment in the Plan is an agreement with the Plan Manager, Walker Crips Structured Investments, to purchase on your behalf, securities which are specifically structured to match the investment features described in this brochure, and to hold and administer those securities for the Investment Term.

The type of securities that will be issued for this Plan are called medium term notes, similar to a corporate bond or other debt security. Effectively, this is a type of loan to Morgan Stanley & Co. International plc entitling you to the income detailed in this brochure.

The securities will be issued by Morgan Stanley & Co. International plc. Therefore repayment of your Initial Investment and any remaining income payments from the Plan are subject to the continued solvency of Morgan Stanley & Co. International plc.

In the event of the failure or insolvency of Morgan Stanley & Co. International plc, you could lose all or part of your Initial Investment and any remaining income payments, regardless of the performance of the FTSE 100 Index.

As repayment of your Initial Investment and any remaining income payments described in this brochure are subject to the continued solvency of Morgan Stanley & Co. International plc during the Investment Term, it is important to consider the creditworthiness of Morgan Stanley & Co. International plc.

Credit ratings are a means of evaluating an institution's creditworthiness. Credit ratings are assigned by independent organisations known as credit rating agencies.

Standard & Poor's is one of the three main credit rating agencies and grades institutions on a scale from AAA (highest) to D (lowest).

At the time of publication of this brochure (5 November 2018), Morgan Stanley & Co. International plc was rated 'A+' by Standard & Poor's.

Institutions within the 'A' rating band are described by Standard & Poor's as having a strong capacity to meet their financial commitments, but are more susceptible to the adverse effects of changes in circumstances and economic conditions than those institutions rated 'AAA' or 'AA'.

A Standard & Poor's rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years).

In determining a rating outlook, consideration is given to any changes in the economic and fundamental business conditions.

The Standard & Poor's rating of Morgan Stanley & Co. International plc is currently qualified with a 'stable' outlook which means that the rating is unlikely to change in the short term.

Credit ratings can go up or down throughout the Investment Term in response to changes in the financial position of the Counterparty. It is possible that the quoted rating or outlook may have changed since the publication of this brochure. For current information on credit ratings, including ratings provided by the other main credit rating agencies, Moody's and Fitch Ratings, please visit our website at www.wcgpplc.co.uk/wcsi.

For more information on credit ratings or other methods of assessing the strength of an institution, please consult your financial adviser.

Important points and risks

Your Initial Investment is at risk and you could lose some or all of the amount invested. You should seek financial advice to ensure you understand the following risks associated with the Plan and to determine whether an investment in the Plan is suitable for your circumstances.

Counterparty risk

- In the event that Morgan Stanley & Co. International plc fails or becomes insolvent you could lose some or all of your Initial Investment and any income that may be due.
- As with all similar structured investments, in the event of Counterparty or Issuer failure you will not have recourse to the Financial Services Compensation Scheme (FSCS). It is you, the investor, who faces these risks rather than the Plan Manager, Walker Crips Structured Investments.

Market risk

- The Plan is designed to provide you with fixed quarterly income payments. In order to achieve this level of income your Initial Investment will be put at risk. If the Final Index Level is below 60% of its Initial Index Level, you will lose more than 40% of your Initial Investment.
- The Plan pays a fixed amount of income. The Plan does not invest directly in the shares of any of the FTSE 100 Index companies and you will not therefore receive dividend income from those companies. As such, the income could be lower than if you invested directly in the shares of the companies of the underlying Index.
- The Plan is not the same as a deposit account. A deposit account is considered a relatively safe way to invest and normally allows you ready access to your money. The UK Fixed Income Plan provides you with income payments from your Initial Investment; however, any return you receive could be lower than you would have received in a deposit account.

Inflation risk

- Your investment in the Plan is not adjusted for inflation, therefore, where inflation is high over the Investment Term, the real value of your investment may be reduced.

Early withdrawal and liquidity risk

- As with all similar structured products, the Plan is not designed to be bought and sold on a secondary market but is intended to be held by the purchaser for the full Investment Term. Whilst a secondary market exists, it is not guaranteed. Liquidity may therefore be limited and the ability to trade on a secondary market should not be relied upon when choosing to invest in the Plan;
- You should only invest in the Plan if you do not need access to your Initial Investment for the full six year Investment Term. Early withdrawal may result in a reduction in the amount of your Initial Investment repaid to you.

Is this Plan right for me?

This Plan is designed to meet the investment objectives of a target market of investors with particular investment characteristics. It is important that you speak with a financial adviser to determine whether the Plan may be suitable for your individual situation.

✓ **The Plan MAY be suitable for you if you:**

Understand the specific factors and risks highlighted in the Plan documentation and are able to make an informed investment decision based on the information provided within the authorised documentation, including this brochure and the Key Information Document (KID);

Understand that you will lose, and are able to withstand the loss of, a minimum of 40% of your Initial Investment if the Final Index Level is below 60% of the Initial Index Level on the Investment End Date;

Are looking for a fixed level of income from your Initial Investment;

Understand that income payments cannot be reinvested into the Plan;

Are prepared to accept the Counterparty risk of Morgan Stanley & Co. International plc. If Morgan Stanley & Co. International plc defaults you understand that you could lose your Initial Investment and any remaining income due to you, and will not have recourse to the FSCS;

Understand the Investment Term and you will not need access to your Initial Investment for six years. You have other readily accessible funds available to meet your immediate financial needs and for emergencies;

Understand that you may receive less income than you would have received had you invested directly in the companies comprising the FTSE 100 Index;

Have a positive view of the FTSE 100 Index performance over the next six years;

Have a minimum of £10,000 to invest.

✘ The Plan MAY NOT be suitable for you if you:

Are unable to make an informed investment decision based on the information provided within the authorised documentation, including this brochure and the Key Information Document (KID);

You are unsure how the Plan works;

You cannot afford to put your Initial Investment at risk, or are uncomfortable in putting your Initial Investment at risk;

You are not prepared to accept the Counterparty risk of Morgan Stanley & Co. International plc;

You do not have other readily accessible funds available to meet your immediate financial needs and for emergencies;

You are unable to commit to investing your Initial Investment for the six year Investment Term;

You are looking to achieve growth from your Initial Investment over the Investment Term;

You would like to add to your investment from time to time or at regular intervals over the Investment Term;

You do not have a positive view of the FTSE 100 Index performance over the next six years.

How to invest

There are a number of ways you can invest in the Plan, some of the options may be more tax-efficient for you with careful planning.

Direct investment (individual or joint names)

It is Walker Crips' understanding that the returns you may receive on any direct investment in this Plan are subject to Income Tax. This will depend on your own circumstances (for example, whether you are a resident of the United Kingdom and whether you earn sufficient income to pay Income Tax). The rate at which Income Tax is paid will also depend on your own circumstances.

Pension investment

If you invest via a SIPP (Self Invested Personal Pension) or SSAS (Small Self Administered Scheme), investment returns within your pension are likely to be free of Income Tax and Capital Gains Tax. Before you invest, you should ensure that the terms of your scheme permit an investment of this type.

2018/19 Stocks and Shares ISA investment

You can use your ISA allowance to invest from £10,000 to £20,000 for the 2018/19 tax year, provided that you have not already opened a Stocks & Shares ISA for the period 6 April 2018 to 5 April 2019.

ISA transfer

You can transfer an existing Stocks & Shares ISA or Cash ISA, provided the total value of ISA transfers is at least £10,000. This will not affect your annual Stocks & Shares ISA allowance. The Plan is only available for Stocks & Shares ISA subscription and any Cash ISAs transferred will lose their Cash ISA status and will form part of your accumulated Stocks & Shares ISA. There is no maximum limit for ISA transfers.

Other arrangements

The Plan is also eligible for most trust, corporate and charity investments. Before you invest, you should ensure that the terms or deeds under which the trust, company or charity was established allow investments of this type.

All information on taxation in this brochure is based on Walker Crips' understanding of UK tax legislation at the time of writing. Tax rules are subject to change and the value of tax reliefs will depend on your individual circumstances. Please note that Walker Crips does not provide tax advice and you should consult your financial adviser or tax adviser for further details of your individual tax position.

For your own benefit and protection you should read the brochure and all of the Terms and Conditions of the UK Fixed Income Plan before completing the Application Form. If you do not understand any point, please ask your financial adviser for further information.

Frequently asked questions

When will I receive any income due?

Income payments will be paid by the Issuer, Morgan Stanley & Co. International plc, to the Plan Manager, Walker Crips, on or before 7th of each April, July, October and January. The first income payment will be credited to your Walker Crips Account on or before 7 April 2019 and the final income payment will be credited to your Walker Crips Account on or before 7 January 2025, which is shortly after the Investment End Date.

Income payments may be retained on your Walker Crips Account or paid into your bank. You will be asked to confirm your preferred option when you complete the Application Form. If you elect to have your income payments paid into your bank account, you should expect to receive your income within 10 business days of the Plan Manager's receipt from the Issuer. Payments will be made by bank transfer (BACS)

Who is eligible to invest?

Anyone aged 18 or over who is resident and ordinarily resident in the UK for tax purposes may invest in the Plan. There is no upper age limit. Direct investments may be in joint names. The Plan is also available for UK trustees (including trustees of pension schemes), UK corporates and UK charities, where the entity permits investments of this type.

What is the Key Information Document (KID)?

The KID is a regulatory document prepared by Morgan Stanley & Co. International plc which is designed to assist investors in making informed investment decisions by providing accessible key information for comparable investment products. To ensure consistency, the format and content of the KID is prescribed by regulation. The KID for this Plan is available on our website at www.wcgplc.co.uk/wcsi or via your financial adviser.

How can I see a copy of the prospectus?

In addition to this brochure, further information is available in the prospectus which contains the full information and contractual terms for the securities. If you, or your adviser, would like to review the prospectus before investing, an electronic copy is available on request from Walker Crips Structured Investments.

How will I be kept informed of the progress of my investment?

When your application and payment is accepted, we will write to you with details of your Plan. We will send you quarterly statements until the end of the Investment Term so that you can keep track of your investment. You can also call Walker Crips Structured Investments to obtain a valuation on 020 3100 8880.

Can I change my mind?

Yes. When your application and payment is accepted, we will send you a cancellation notice. You will have 14 days from the date you receive this notice to return it. If this is before the Investment Start Date then you will receive your Initial Investment back in full. If we receive your cancellation notice after the Investment Start Date, then we will sell your holding and return the proceeds to you. In this situation you may get back less than you invested.

Can I withdraw my money?

If your circumstances change and you need access to your money prior to the end of the Investment Term, you can withdraw all or part of your investment early. However, you should be aware that the ability to withdraw early is not guaranteed and may result in a reduction in the amount of your Initial Investment repaid to you (see 'Early withdrawal and liquidity risk' on page 9).

If you need to withdraw all or part of your Plan before the end of the Investment Term, we must receive your clear instruction in writing. We are unable to accept an instruction to withdraw less than £500 from the Plan. An administrative charge of £90 will be deducted for each early withdrawal instruction processed.

In order to withdraw all or part of your investment, we will need to sell the underlying securities of the Plan (or a proportion thereof) which are held by us on your behalf. The amount you will receive back will be determined by the market value of these underlying securities. During the Investment Term the value of the underlying securities may go up or down. Different factors, such as a fall in the level of the Index, or a rise in interest rates, can have a significant negative impact on their value.

If you hold your investment within an ISA account, and you withdraw from the Plan, please note that the proceeds will lose their ISA status if you instruct us to transfer the funds to your bank account. Alternatively, you can withdraw from the Plan and transfer the proceeds to another ISA manager, in which case, the tax benefits of the ISA will be retained.

Should you wish to transfer your ISA, you will need to contact your new ISA manager to arrange the transfer. Please note, we will deduct an administrative charge of £90 to sell your holding in the Plan and transfer your ISA, and you may also incur a charge from the new ISA manager.

What happens at the end of my investment?

Shortly before the Investment End Date, we will write to you outlining your options. Your maturity proceeds, including your final income payment, will be applied to your Walker Crips Account on or before 7 January 2025, subject to timely receipt of the funds from the Issuer. Provided you have completed and returned the appropriate documentation, we will then proceed with your maturity instruction.

What happens if I die?

If you die during the Investment Term, the Plan can be closed or transferred to another person. Your personal representatives should inform Walker Crips, and the Plan will be dealt with in accordance with their instructions. We will take instructions from the Trustees or Executors of the deceased with respect to disposals or cash withdrawals upon production of a Sealed Grant of Probate. Please note that early withdrawal from the Plan may result in a reduction in the amount of the Initial Investment repaid.

What fees are payable?

Your financial adviser will provide you with information about any fees that they charge. Adviser Charges can be settled directly with your financial adviser or, upon your written instruction within the Application Form, we can facilitate payment to your adviser by deducting the Adviser Charge from the funds you send to us and paying this amount to your financial adviser on your behalf.

Are Walker Crips charging me for this investment?

Our costs and charges for managing, marketing and administering the Plan have been factored into the structure of the Plan and the returns the Plan is designed to pay. These charges are expected to equate to approximately 0.75% of your Initial Investment. No charges are deducted from your Initial Investment or from any potential returns you may receive from investment in the Plan, instead they are paid to us by Morgan Stanley & Co. International plc.

There will be no charges to withdraw cash balances by either standard electronic transfer (BACS) or by cheque. However, there will be instances where we need to cover our administration costs. The table below details a summary of our current charges.

| Instance | Charge |
|--|--------|
| If you wish to withdraw your investment in the Plan prior to maturity. | £90.00 |
| If you wish to sell your ISA holding and transfer the proceeds to another ISA manager prior to maturity. | £90.00 |
| If you require any proceeds to be forwarded by same day transfer. (CHAPS) | £15.00 |

How do I make a complaint?

If you wish to complain about any aspect of the service you have received from us, you may do so in writing to:

Compliance Department, Walker Crips Stockbrokers Limited, Old Change House, 128 Queen Victoria Street, London, EC4V 4BJ, United Kingdom or compliance@wcgplc.co.uk. Alternatively, you can call us 020 3100 8880.

Our complaints handling procedures for the reasonable and prompt handling of complaints is available upon request.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service (www.financial-ombudsman.org.uk).

Are there compensation arrangements?

Before the Investment Start Date, and after the Investment End Date, Walker Crips will hold your money in a segregated client money account with a UK regulated bank. This money is protected in accordance with the FCA's client money rules. In the event that Walker Crips becomes insolvent, your money cannot be accessed by creditors or the bank itself. If the bank holding your money becomes insolvent, you may be entitled to claim compensation from the Financial Services Compensation Scheme (FSCS).

The maximum compensation limit for cash accounts is currently £85,000 per person, per authorised institution. You should be aware that all of your balances with any particular bank, including your personal accounts, would be aggregated in the event that the compensation scheme was triggered.

During the Investment Term, your money is not held by Walker Crips, it is invested in the Plan and exposed to the credit risk of Morgan Stanley & Co. International plc. If Morgan Stanley & Co. International plc becomes insolvent you will not be entitled to claim compensation from the FSCS.

You do not have the right to claim compensation against Walker Crips, or from the FSCS, in relation to poor investment performance of the underlying securities of the Plan.

In other circumstances where you may be entitled to make a valid claim against Walker Crips or your financial adviser and they are unable to meet their liabilities in full, the maximum compensation limit awarded by the FSCS for investments is currently £50,000 per person.

For further information about the scheme contact the Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St. Botolph Street, London EC3A 7QU or visit the FSCS website at www.fscs.org.uk.

Terms and Conditions

Definitions:

'Account': means your Walker Crips Account, or ISA Account, which is in your name and that holds your investments and cash.

'Adviser Charge': means the fee agreed with your financial adviser in remuneration for the personal recommendation received prior to submission of an Application Form.

'Application Form': means the UK Fixed Income Plan application for subscription to invest in the Plan.

'Calculation Agent': means the entity assigned by the Issuer to determine the price of the Plan.

'Closing Level': means the official daily closing level of the FTSE 100 Index as published by the Index Sponsor.

'Counterparty': means Morgan Stanley & Co. International plc.

'Direct Account': means any part of the UK Fixed Income Plan which is not an ISA account.

'FCA': means the Financial Conduct Authority.

'FCA Handbook': means the FCA Handbook of Rules and Guidance as amended from time to time.

'Final Index Level': means the Closing Level of the FTSE 100 Index on the Investment End Date.

'FTSE 100 Index': is a share index which represents the share price performance of 100 of the largest companies in the UK (measured by market capitalisation) which are listed on the London Stock Exchange.

'Index': is the FTSE 100 Index.

'Initial Investment': means the amount that you initially subscribed to invest into the Plan.

'Index Sponsor': is FTSE International Limited, a UK incorporated company which calculates the Index and which is owned jointly by the London Stock Exchange and the Financial Times, and includes any successor or additional sponsor(s).

'Initial Index Level': means the Closing Level of the FTSE 100 Index on the Investment Start Date.

'Investment End Date': means 19 December 2024 or if such day is not a Scheduled Trading Day, the following day which is a Scheduled Trading Day.

'Investment Start Date': means 19 December 2018, or if such day is not a Scheduled Trading Day, the following day which is a Scheduled Trading Day.

'Investment Term': means the period from the Investment Start Date to maturity.

'Issuer': means Morgan Stanley & Co. International plc.

'Key Information Document (KID)': means the document prepared by Morgan Stanley & Co. International plc, to enable an investor to compare the key features, risks, rewards and costs of the securities underlying the Plan.

'Nominee': means WB Nominees Limited, a non-trading subsidiary of Walker Crips Stockbrokers Limited.

'Plan': means the UK Fixed Income Plan, comprising the securities subscribed for in your Account, as specified in your Application Form.

'Plan Manager': means Walker Crips Structured Investments, a trading name of Walker Crips Stockbrokers Limited, which is authorised and regulated by the Financial Conduct Authority and bound by its rules.

'Regulations': means for the ISA Accounts the ISA Regulations 1998 as amended from time to time. The Plan Manager will manage the ISA Account in accordance with the Regulations.

'Rules': means the rules and guidance as provided in the FCA Handbook, as amended from time to time.

'Scheduled Trading Day': means a day on which the London Stock Exchange or other relevant exchange is scheduled to be open for trading.

'Walker Crips': means as appropriate, Walker Crips Stockbrokers, Walker Crips Structured Investments or the Nominee.

These Terms and Conditions, together with the Application Form and any additional documents you are requested to accept, set out the contractual basis on which the Plan Manager provides its services to you. You should read these Terms carefully and contact us in the event that there is anything contained in these Terms that you do not understand or agree to.

1. Your application

a) On receipt of a duly completed Application Form and payment the Plan Manager may accept your application subject to these Terms and Conditions. The Plan Manager reserves the right to reject an application for any reason. The Plan is not available to US Persons.

2. ISA Accounts

a) You must subscribe to your ISA Account with your own (or your spouse's) cash or by transfer of cash from an existing ISA account. Transfers of cash from existing ISA accounts will be arranged with the existing ISA manager(s) upon your written instruction to the Plan Manager. Once the cash from the existing ISA account(s) has been transferred, your ISA Account will be subject to these Terms and Conditions.

b) An ISA Account will be opened in your name only. You cannot invest in an ISA in joint names.

c) 'ISAs' can be either Cash (which includes Help to Buy ISAs), Stocks & Shares, Innovative Finance or Lifetime ISAs. This Plan is only eligible for Stocks & Shares ISA subscription. The Regulations provide that you may not subscribe more than the overall subscription limit in total to any combination of permitted ISAs in the same tax year and that you may only subscribe to one Stocks & Shares ISA in any one tax year.

d) You may transfer a Cash ISA(s) into a Stocks & Shares ISA without affecting your annual Stocks & Shares ISA allowance. Cash ISAs transferred in this way will form part of your accumulated Stocks & Shares ISA.

e) You agree to promptly notify the Plan Manager of any change in address or in UK taxation status which may render you ineligible to subscribe further to your ISA. You agree to notify the Plan Manager immediately if you cease to be a UK resident for tax purposes, or if being a non-resident, you cease to qualify as a Crown servant, or spouse of a Crown servant.

f) The Plan Manager will notify you if, by reason of any failure to satisfy the provisions of the Regulations, an ISA has, or will, become void.

g) The Plan Manager will not accept any further amounts into an ISA Account if the Regulations no longer give you the right to invest in that ISA Account.

3. Cancellation

a) The Plan Manager will give you the right to cancel your Plan within 14 days of its acceptance of your Application Form and payment. You will be informed of your right to cancel in documents that the Plan Manager sends you upon acceptance of your subscription to invest. Alternatively, you can write to Walker Crips Structured Investments, Old Change House, 128 Queen Victoria Street, London, EC4V 4BJ, United Kingdom. If you do so, please provide your name and address and the account number with clear instructions to cancel your investment.

b) If the Plan Manager receives your cancellation notice after the Investment Start Date, the amount of your Initial Investment repaid to you will be adjusted to reflect the market value of the securities (if applicable). You may not get back the amount originally invested in the Plan.

c) Where you do not exercise your cancellation rights, or you do not exercise them within the period allowed for, the Plan will continue in line with the Terms and Conditions.

4. Client categorisation

We will classify you as a retail client as defined in the FCA Handbook, unless we confirm otherwise to you in writing.

5. Anti-money laundering

The Plan Manager is responsible for compliance with the UK anti-money laundering regulations and the Rules. You may be asked for proof of identity and address, source of funds, and evidence of banking details when investing or on early withdrawal or maturity. The Plan Manager may also make enquiries of third parties in verifying identity. This would include electronic verification through a third party provider.

6. Client money

a) Subscriptions received before the Investment Start Date, and proceeds returned following maturity of the Plan, will be held by the Plan Manager in a pooled client money account with an FCA authorised and regulated bank.

b) Your funds are protected in accordance with the FCA client money rules in the FCA Handbook, meaning that money belonging to clients is segregated from monies belonging to Walker Crips Stockbrokers Ltd. Therefore, in the event of Walker Crips Stockbrokers Ltd's insolvency or default, there is no right of offset between credit balances held on behalf of clients and any indebtedness of Walker Crips Stockbrokers Ltd. Any shortfall in client money may be shared pro rata among all clients, however, eligible claimants may benefit from the protection of the Financial Services Compensation Scheme (FSCS) in relation to the first £50,000 of a claim. In the event of the bank's insolvency or default, any shortfall in client money may be shared pro rata between all clients. However, eligible claimants may benefit from the protection of the FSCS in relation to the first £85,000 of a claim.

c) No interest will be accrued on funds held prior to the Investment Start Date or following maturity of the Plan.

d) The Plan Manager shall continue to treat allocated but unclaimed maturity funds as client money, in accordance with the FCA client money rules, for a period of at least six years from the end of the Plan. No interest will be accrued on allocated but unclaimed funds during this period.

7. Investment in the Plan

a) Your investment in the Plan is an agreement with the Plan Manager to purchase securities for your Account which are structured to match the investment features described in the brochure.

b) The securities will be exercised and your investment will mature on the Investment End Date. The Plan Manager will contact you prior to maturity to inform you of any action required by you. The Plan Manager may, at its discretion, pay maturity proceeds to you by transferring the funds into the bank or building society account from where the Initial Investment originated. In this event, you will be informed in writing by the Plan Manager.

c) Your investment in the Plan will be registered collectively with other investors' investments in the Plan in the name of the Nominee. Whilst the Nominee will be the legal owner of the investments in its name, at all times during the continuance of the Plan, you will remain the beneficial owner of your investment in the Plan. The Plan Manager accepts responsibly for any acts or omissions of the Nominee.

d) Investments held in the name of the Nominee will not be lent to any third party and money will not be borrowed on your behalf against the security of your investment. Your investment in the Plan must not be used as security for a loan. You may not dispose of or transfer an interest in your investment in the Plan, and may not create (or have outstanding) any charge or security on or over any Investment.

e) Your investment in the Plan will be recorded and separately identified by the Plan Manager. However, your holding may not be identifiable by separate documents or certificates of title. Therefore, in the event of insolvency or default, any shortfall in the Plan may be shared pro rata among all investors in the Plan.

8. Information to clients

a) The Plan Manager will supply you with a statement of your investments on a quarterly basis.

b) The Nominee will hold the voting rights (if any) in relation to the securities underlying the Plan. The Nominee will have the right to exercise such voting rights (or abstain from exercising them) at its discretion.

9. Account closure / termination

a) The Plan or any Account may be terminated immediately by the Plan Manager on giving written notice to you if, in its opinion, it is impossible to administer the Plan or that Account in accordance with the Rules or Regulations or if you are in breach of the Rules or Regulations.

b) The ISA Account will terminate automatically with immediate effect if it becomes void under the Regulations. The Plan Manager will notify you in writing if the ISA becomes void.

c) The Plan Manager may terminate the Plan on one month's notice if you fail to pay any money due to it.

d) You may terminate the Plan or any Account at any time by giving written notice to that effect to the Plan Manager. The notice must specify whether you would like the proceeds from the disposal of your investment to be paid directly to you or to be transferred to another Plan Manager. Upon acceptance of your clear instruction we will sell your holding. There is a restricted secondary market and you may get back less than you invested in the Plan. An early withdrawal fee of £90 will be charged.

e) Termination of the Plan or any Account will be without prejudice to the settlement of any outstanding fees and will not affect any legal rights or obligations which may have already arisen or any provision of these Terms and Conditions which is expressly or by necessary implication intended to survive termination. On termination, the Plan Manager will account to you for the proceeds of sale of your investment in the Plan, save that it will be entitled to retain any funds required to satisfy any outstanding amounts due to it by you.

10. Taxation

a) You have sole responsibility for the management of your tax and legal affairs, including all applicable tax filings and payments and for complying with all applicable laws and regulations. We have not and will not provide you with tax or legal advice and we recommend that you obtain your own independent tax and legal advice tailored to your individual circumstances.

b) We do not warrant or guarantee the continuing tax effectiveness of any product, investment, mechanism or wrapper, and you accept that governmental regulation and attitudes to taxation can change and that this may affect investment outcomes.

c) Fees and charges may be subject to VAT in accordance with prevailing legislation and may be applied without notice.

11. Death

On your death, your Plan will be dealt with in accordance with the instructions of your personal representatives. The Plan Manager will continue to hold your investment in the Plan until instructions are received from your personal representatives. Your personal representatives can sell your investment in the Plan or transfer it to your beneficiaries. The Plan Manager is entitled to deduct any withdrawal fees.

12. Charges

a) The Plan Manager's charges for servicing the Plan are paid by the Issuer to the Plan Manager on the Investment Start Date. These charges equate to a percentage of your Initial Investment but they do not reduce the amount of your Initial Investment invested in the Plan. The Plan Manager will not deduct any fees from your investment during the Investment Term or at maturity.

b) If you exercise your cancellation rights, you will not incur any charges. Where you exercise your cancellation rights after the Investment Start Date, you will not incur any charges but the amount of your Initial Investment repaid to you will be adjusted to reflect the current value of the securities underlying the Plan, as determined by the Calculation Agent.

c) If you withdraw your investment from the Plan after the cancellation period but before the Plan matures, a charge of £90 will be deducted from the proceeds of the sale of your investment in the Plan.

d) It is possible that you may be liable to pay additional taxes or costs that are not paid, nor imposed, by us.

e) Where we receive your written request for us to facilitate payment of your Adviser Charge to your financial adviser, you acknowledge and agree that it is a facilitation service only; the Plan Manager has no influence over, nor any responsibility for, the advice provided, or any ongoing obligation with regards to future charges payable to your financial adviser. You acknowledge that any rebate of your adviser charge for whatsoever reason is a matter between you and your adviser directly and will not involve the Plan Manager, nor will the Plan Manager facilitate such rebate.

f) The Adviser Charge will be deducted from the funds you send to us on application to invest in the Plan. The balance will be your Initial Investment.

13. Liability

a) The Plan Manager will maintain insurance cover to cover you for, amongst other things, misappropriation of funds or securities by any employee of the Plan Manager.

b) The Plan Manager may employ agents in connection with the services it is to provide and will satisfy itself that any person to whom it delegates any of its functions or responsibilities is competent to carry out those functions or responsibilities. The Plan Manager shall not be liable for the negligence or misconduct of any such agent or delegate, except where it has been negligent in its choice of such agent or delegate.

c) Your entitlement under the Plan is dependent on the exact terms of issue of the securities underlying the Plan. These may contain provisions allowing for (a) adjustments to the timing of calculation of entitlements and (b) the termination of the securities, including (without limitation) in circumstances where the Counterparty is in default. The prospectus for the securities is available upon request from the Counterparty or the Plan Manager. No provision in these Terms and Conditions will operate so as to exclude or limit the liability of the Plan Manager to the extent that this would be prohibited by law or the FCA Rules.

d) The Plan Manager will exercise due care and diligence in managing your Plan. However, the Plan Manager will not be liable to you:

i) if the Issuer or Counterparty fails or becomes insolvent;

ii) for any default by any depository with whom your investment is deposited, other than the Nominee;

iii) for any loss, depreciation or fluctuation in the value of the securities underlying the Plan, except as a result of fraud, negligence or wilful default by the Plan Manager;

iv) for any adjustments or terminations provided for in the prospectus for the securities underlying the Plan;

v) if the Plan Manager cannot carry out its responsibilities because of circumstances beyond its reasonable control; or

vi) for the acts or omissions of any professional adviser who arranged your investment in the Plan.

14. Market disruption, extraordinary event, adjustment event

a) If a market disruption event, extraordinary event or any adjustment event occurs, the Calculation Agent may make necessary adjustments to the terms of the securities in their sole and absolute discretion, acting in good faith and in a commercially reasonable manner.

b) Such events include, but are not limited to, the early closure or unannounced closure of a relevant exchange, disruption or disruption of trading of a relevant exchange, and suspension or limitation of trading of a relevant exchange.

c) Examples of adjustments that may need to be made include, but are not limited to, postponing taking the level of the Index on the date which such event occurs, using an alternative method of calculating or estimating the value of the Index or selecting an appropriate substitute index. This may include termination of the securities. In the case of early and unscheduled termination it is possible that you will receive back less than you invested in the Plan.

15. Conflicts of interest

We take all appropriate steps to identify conflicts between Walker Crips and our clients, and between one client and another. We maintain and operate effective organisational and administrative arrangements designed to prevent and manage conflicts of interest that pose a material risk of damage to client interests, including a comprehensive Conflicts of Interest Policy which defines the steps that we take to identify, prevent, manage, mitigate and/or disclose conflicts of interest when providing various investment and other services. We will disclose any conflicts that cannot be managed effectively and will maintain records of our services and activities in which conflicts have arisen or may arise. Where we determine that we are unable to manage a conflict of interest to protect a client's interest, we may decline to act on behalf of a client. For further details of how we identify, prevent, manage, mitigate and otherwise avoid any potential conflicts of interest that WCSB might face, in light of the services we offer, please see a summary of our Conflicts of Interest policy available at www.wcgplc.co.uk/Legal/Policies.

16. Data protection

We will process personal data provided to us by you or third party intermediaries pursuant to the Data Protection Act 1998 and the General Data Protection Regulation (GDPR) (EU) 2016/679. We will use this information for the administration and servicing of your investments and to ensure compliance with our obligations under the UK regulatory regime. We may disclose the information to our agents and service providers. By submitting personal data you are consenting to such data being processed for the purposes referred to above. You agree that Walker Crips may use and store data on its internal systems and to transfer it (if applicable) to its associated companies for the purposes of providing services to you.

17. Compensation arrangements

If you make a valid claim against the Plan Manager or your financial adviser in respect of the investments arranged for you under these

Terms and Conditions and they are unable to meet their liabilities in full, you may be entitled to compensation from the Financial Services Compensation Scheme (FSCS). Most types of investment business are covered and the maximum compensation is £50,000. Further information and eligibility criteria is available at www.fscs.org.uk. If the performance of the Plan does not match any illustrated benefits there will not, for that reason alone, be any entitlement to any compensation under the FSCS.

18. Complaints

In the event that you have a complaint, you are requested to contact our Compliance Department by email at compliance@wcgplc.co.uk or call us on 020 3100 8800. Your complaint will be handled in accordance with our internal complaints procedure, a copy of which is available to you upon request. If you are dissatisfied with our response and you are an Eligible Complainant, you have the right to refer your complaint to the independent Financial Ombudsman Service (FOS) free of charge. You can write to the Financial Ombudsman Service at Exchange Tower, London, E14 9SR or they can be contacted at telephone number 0800 023 4567, switchboard 020 7964 1000, or emailed at complaint.info@financial-ombudsman.org.uk. Further information can be found on the Financial Ombudsman Service website at www.financial-ombudsman.org.uk.

19. Governing law

These Terms and Conditions shall be governed by and construed in accordance with English law and will become effective on acceptance by the Plan Manager of your signed Application Form. You irrevocably agree that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes, which may arise out of or in connection with these Terms and Conditions and, for these purposes, you irrevocably submit to the jurisdiction of the courts of England;

20. Amendments to these Terms and Conditions

a) We may vary these Terms and Conditions or the characteristics of any of our services at any time for the following reasons, subject to the conditions below:

i) we may make a variation in order to comply with the Rules or Regulations (or the way they are applied), or with relevant accepted market custom and practice.

ii) we may make a variation with a view to improving or extending the service that we offer.

b) Notices will be duly given by the Plan Manager and sent to the last address notified to the Plan Manager by the Investor or its agent.

This document has been approved as a Financial Promotion in accordance with Section 21 of the Financial Services and Markets Act 2000 by Walker Crips Stockbrokers Limited (WCSB), which is a member of the London Stock Exchange and is authorised and regulated by the Financial Conduct Authority, 25 North Colonnade, Canary Wharf, London E14 5HS. FCA Registration Number: 226344. The Plan is provided and administered by Walker Crips Structured Investments which is a trading name of Walker Crips Stockbrokers Limited. Registered Office: Old Change House, 128 Queen Victoria Street, London, EC4V 4BJ, United Kingdom.

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Notes



If for any reason we are unable to purchase securities to fulfil the commitments set out in the brochure, your subscription will be returned to you in full.

If you have any enquiries about this investment, consult your financial adviser or contact Walker Crips Structured Investments by:

Telephone 020 3100 8880

Fax 020 3100 8822

Email wcsi@wcgplc.co.uk

Post Walker Crips Structured Investments, Old Change House,
128 Queen Victoria Street, London, EC4V 4BJ United Kingdom

