

UK Step Down Kick-out Plan

Issue 1 (MS002)

Plan Summary

Potential Early Maturity (Kick-out)

The Plan has the potential to mature early (kick-out) from the second anniversary and on four subsequent Anniversary Dates, depending on the performance of the FTSE 100 Index.

If, on an Anniversary Date, the closing level of the FTSE 100 Index is **at or above its required kick-out level**, the Plan will mature early and your Initial Investment will be repaid to you, plus an accumulated return of 6.75% for each year that has elapsed since the Investment Start Date.

If however, the FTSE 100 Index closes **below its required kick-out level** on an Anniversary Date, the Plan will continue to the next Anniversary Date.

Final Redemption

Where the performance of the FTSE 100 Index has not activated an early maturity and the Plan runs for the full seven year term, the final value of the Plan will be determined by the Final Index Level of the FTSE 100 Index on the Investment End Date.

If the Final Index Level is **at or above 75% of its Initial Index Level**, your Initial Investment will be repaid to you, plus a return of 47.25%.

If the Final Index Level is **below 75% of its Initial Index Level**, but **at or above 60% of the Initial Index Level**, your Initial Investment will be repaid to you, but you will not receive a return from your investment in the Plan.

If, however, the Final Index Level is **below 60% of its 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, and you will not receive a return from your investment in the Plan.

Return of proceeds

Your maturity proceeds (including Initial Investment, plus any returns from the Plan or minus any deductions) will be applied to your Walker Crips account within 10 business days of the Investment End Date (or relevant Anniversary Date), subject to timely receipt of the funds from the issuer.

INVESTMENT START DATE

19 December 2018

INVESTMENT END DATE

19 December 2025

INVESTMENT TERM

Up to seven years

ANNIVERSARY DATES

21 December 2020
20 December 2021
19 December 2022
19 December 2023
19 December 2024

UNDERLYING INDEX

FTSE 100 Index

INITIAL INDEX LEVEL

Closing Level on 19 December 2018
FTSE 100 Index: 6765.94

REQUIRED KICK-OUT LEVEL

Year two 100% of Initial Index Level
Year three 95% of Initial Index Level
Year four 90% of Initial Index Level
Year five 85% of Initial Index Level
Year six 80% of Initial Index Level
Investment End Date 75% of Initial Index Level

FINAL INDEX LEVEL

Closing Level on 19 December 2025

PLAN MANAGER

Walker Crips Structured Investments

RISK TO INITIAL INVESTMENT

Where the plan has not matured early and the FTSE 100 Index closes below 60% of its Initial Index Level on 19 December 2025

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 return that may be due, irrespective of the performance of the FTSE 100 Index.

UNDERLYING SECURITIES ISIN

GB00BZVR0D74