

Supplement No. 4 dated 21 August 2018 to the Base Prospectus for Commodity and Currency Linked Securities dated 23 October 2017 as supplemented by Supplement No. 1, Supplement No. 2 and Supplement No. 3 (as defined below).

**MORGAN STANLEY & CO. INTERNATIONAL PLC**  
(incorporated with limited liability in England and Wales)

**MORGAN STANLEY B.V.**  
(incorporated with limited liability in The Netherlands)  
and

**MORGAN STANLEY**  
(incorporated under the laws of the State of Delaware in the United States of America)

as Guarantor for any issues of Securities by Morgan Stanley B.V.

**Euro 2,000,000,000 German Programme for Medium Term Securities**  
(Programme for the Issuance of Securities)

MORGAN STANLEY IQ

This supplement no. 4 (the "**Supplement No. 4**") to the Original Base Prospectus (as defined below) is prepared in connection with the EUR 2,000,000,000 German Programme for Medium Term Securities (the "**Programme**") of Morgan Stanley & Co. International plc ("**MSIP**") and Morgan Stanley B.V. ("**MSBV**" and MSIP and MSBV, each an "**Issuer**" and, together, the "**Issuers**") and is supplemental to, and should be read in conjunction with (i) the base prospectus for the issuance of commodity and currency linked securities in the English language dated 23 October 2017 (the "**Original Base Prospectus**"), (ii) the supplement no. 1 dated 15 January 2018 (the "**Supplement No. 1**"), (iii) the supplement no. 2 dated 24 April 2018 (the "**Supplement No. 2**") and (iv) the supplement no. 3 dated 18 June 2018 (the "**Supplement No. 3**") each in respect of the Programme.

Securities issued by MSBV will benefit from a guarantee by Morgan Stanley ("**Morgan Stanley**" or the "**Guarantor**") dated on 30 September 2016 (the "**Guarantee**").

This Supplement No. 4 is a supplement within the meaning of article 13 of the Luxembourg Act on Securities Prospectuses (*loi relative aux prospectus pour valeurs mobilières*) which implements article 16 of the Prospectus Directive. The Issuer has requested the CSSF to provide the competent authorities in the Federal Republic of Germany, the Kingdom of Denmark, the Republic of Austria and the Republic of Finland with a certificate of approval attesting that this Supplement No. 4 has been drawn up in accordance with the Commission Regulation (EC) 809/2004 of 24 April 2004, as amended from time to time, (the "**Notification**"). The Issuer may from time to time request the CSSF to provide to competent authorities of additional Member States of the European Economic Area a Notification concerning this Supplement No. 4 along with the Original Base Prospectus, Supplement No. 1, Supplement No. 2 and Supplement No. 3.

Unless otherwise stated or the context otherwise requires, terms defined in the Original Base Prospectus as supplemented by Supplement No. 1, Supplement No. 2 and Supplement No. 3 have the same meaning when used in this Supplement No. 4. As used herein, "**Base Prospectus**" means the Original Base Prospectus as supplemented by Supplement No. 1, Supplement No. 2, Supplement No. 3 and by this Supplement No. 4.

The Original Base Prospectus, Supplement No. 1, Supplement No. 2, Supplement No. 3 have been and this Supplement No. 4 will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

In accordance with article 13 of the Luxembourg Act on Securities Prospectuses (*loi relative aux prospectus pour valeurs mobilières*), investors who have already submitted purchase orders in relation to instruments issued under the Programme prior to the publication of this Supplement No. 4 are entitled to withdraw their orders within two days of this Supplement having been published (the "**Withdrawal Right End Date**"), if not yet credited in their respective securities account for the instruments so subscribed. Withdrawal Right End Date means 23 August 2018. A withdrawal, if any, of an order must be communicated in writing to the relevant Issuer at its registered office specified in the Address List hereof.

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## IMPORTANT NOTICE

This Supplement No. 4 should be read and construed with the Original Base Prospectus, Supplement No. 1, Supplement No. 2, Supplement No. 3 and any further supplements thereto and with any other documents incorporated by reference and, in relation to any issue of Securities, with the relevant Final Terms.

No person has been authorised by any of the Issuers or the Guarantor to issue any statement which is not consistent with or not contained in this document, any other document entered into in relation to the Programme or any information supplied by the Issuers or the Guarantor or any information as in the public domain and, if issued, such statement may not be relied upon as having been authorised by the Issuers or the Guarantor.

No person may use this Supplement No. 4, the Original Base Prospectus, the Supplement No. 1, the Supplement No. 2, the Supplement No. 3 or any Final Terms for the purpose of an offer or solicitation if in any jurisdiction such use would be unlawful. In particular, this document may only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 does not apply. Additionally, Securities issued under this Programme will not be registered under the United States Securities Act of 1933, as amended or the securities laws of any state in the United States. Therefore, Securities may not be offered, sold or delivered, directly or indirectly, within the United States or to or for the account or benefit of U.S. persons.

For a more detailed description of some restrictions, see "*Subscription and Sale*" on pages 737 et seqq. in the Original Base Prospectus.

Neither this Supplement No. 4, the Original Base Prospectus, the Supplement No. 1, the Supplement No. 2, Supplement No. 3 nor any Final Terms constitute an offer to purchase any Securities and should not be considered as a recommendation by the Issuers or the Guarantor that any recipient of this Supplement No. 4, the Original Base Prospectus, the Supplement No. 1, the Supplement No. 2, the Supplement No. 3 or any Final Terms should purchase any Securities.

**Each potential investor must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Securities is fully consistent with its (or if it is acquiring the Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Securities as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Securities in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Securities. The relevant Issuer disclaims any responsibility to advise potential investors of any matters arising under the law of the country in which they reside that may affect the purchase of, or holding of, or the receipt of payments or deliveries on the Securities. If a potential investor does not inform itself in an appropriate manner with regard to an investment in the Securities, the investor risk disadvantages in the context of its investment.**

**A potential investor may not rely on the Issuers, the Guarantor or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Securities or as to the other matters referred to above.**

**Each such recipient shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of each of the Issuers and the Guarantor (see "*Risk Factors*" on pages 113 et seqq. in the Original Base Prospectus).**

## **RESPONSIBILITY STATEMENT**

MSIP accepts responsibility for information contained in the MSIP Base Prospectus as supplemented by Supplement No. 1, Supplement No. 2, Supplement No. 3 and by this Supplement No. 4. MSBV accepts responsibility for information contained in the MSBV Base Prospectus as supplemented by Supplement No. 1, Supplement No. 2, Supplement No. 3 and by this Supplement No. 4. Morgan Stanley accepts responsibility for information relating to itself and to its guarantee of the obligations of MSBV contained in the MSBV Base Prospectus as supplemented by Supplement No. 1, Supplement No. 2, Supplement No. 3 and by this Supplement No. 4. To the best of the knowledge and belief of each of MSIP, MSBV and Morgan Stanley (each of which has taken all reasonable care to ensure that such is the case), the information for which it accepts responsibility as aforesaid is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **AMENDMENTS TO THE ORIGINAL BASE PROSPECTUS**

Significant new factors and/or inaccuracies (as referred to in Art 16 (1) of the Prospectus Directive) have arisen which in the Issuers' and Guarantor's opinions are capable of affecting the assessment of the Securities. Thus, the following changes are made to the Original Base Prospectus as supplemented by Supplement No. 1, Supplement No. 2 and Supplement No. 3.

***The Original Base Prospectus is hereby amended as follows:***

- 1. On page 1 of the Original Base Prospectus the text beginning with "This document constitutes (...)" shall be deleted in its entirety and shall be replaced by the following:***

"

This document constitutes two base prospectuses: (i) a base prospectus for the issuance of commodity and currency linked securities in the English language and (ii) a base prospectus for the issuance of commodity and currency linked securities in the German language (together, the "**Base Prospectus**") for the purpose of article 5.4 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010), as amended from time to time. Under the Euro 2,000,000,000 German Programme for Medium Term Securities (the "**Programme**"), Morgan Stanley & Co. International plc ("**MSIP**") and Morgan Stanley B.V. ("**MSBV**" and MSIP and MSBV, each an "**Issuer**" and, together, the "**Issuers**") may, from time to time, issue commodity or currency linked notes and certificates and warrants in bearer form (the "**Non-Nordic Securities**") or commodity or currency linked notes and certificates and warrants in uncertificated and dematerialised form to be registered in the book-entry system of VP Securities A/S ("**VP**") (the "**Nordic Securities**" and, together with the Non-Nordic Securities, the "**Securities**"), whereby Securities issued under German law are debt securities (*Schuldverschreibungen*) in the meaning of §793 of the German Civil Code (*Bürgerliches Gesetzbuch*). Securities issued by MSBV will benefit from a guarantee by Morgan Stanley ("**Morgan Stanley**" or the "**Guarantor**") dated 30 September 2016 (the "**Guarantee**"). The aggregate principal amount of Securities outstanding under the Programme will at no time exceed Euro 2,000,000,000 (or the equivalent in other currencies).

"

- 2. On page 2 of the Original Base Prospectus the last sentence of the first paragraph shall be deleted in its entirety and shall be replaced by the following:***

"

The Issuer has applied for notification of this Base Prospectus into the Federal Republic of Germany ("**Germany**"), the Kingdom of Denmark ("**Denmark**"), the Republic of Austria ("**Austria**") and the Republic of Finland ("**Finland**").

"

- 3. On page 11 of the Summary of the Original Base Prospectus the first paragraph of Element A.2 shall be deleted in its entirety and shall be replaced by the following:***

"

[Not applicable. No consent to the use of the Base Prospectus has been given.] [[•] [Each of [•]] [and/or each of [•] as financial intermediary] [and each financial intermediary appointed by [•] and each financial intermediary appointed by such financial intermediary] subsequently reselling or finally placing the Securities in [the Federal Republic of Germany] [and] [the Grand Duchy of Luxembourg] [and] [the Kingdom of Denmark] [and] [the Republic of Austria] [and] [the Republic of Finland] is entitled to use the Base Prospectus for the subsequent resale or final placement of the Securities during the offer period for the subsequent resale or final placement of the Securities [from [•] to [•]] [from the issue date of the Securities (including) to the later of (i) the date of expiry of the Base Prospectus and (ii) the expiry of the validity of the base prospectus for Commodity and Currency Linked Securities in relation to the Euro 2,000,000,000 German Programme for Medium Term Securities immediately succeeding this Base Prospectus (in each case including)], provided however, that the Base Prospectus is still valid in accordance with Article 11 of the Luxembourg act relating to prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010).

"

4. ***On page 19 of the Summary of the Original Base Prospectus the first paragraph in the right column of Element C.1 shall be deleted in its entirety and shall be replaced by the following:***

"

The Securities are issued as unsubordinated securities (*Schuldverschreibungen*) pursuant to §793 of the German Civil Code (*Bürgerliches Gesetzbuch*). [The Securities are issued in bearer form.] [The Securities are issued in uncertificated and dematerialised form and are registered in the book-entry system of VP.]

"

5. ***On page 48 of the Summary of the Original Base Prospectus in the item "Change of Law" the entire text shall be deleted and shall be replaced by the following:***

"

***[In the case of Non-Nordic Securities, insert:*** The Securities are governed by German law. No assurance can be given as to the impact of any possible judicial decision or change to German law (or law applicable in Germany), or administrative practice in Germany after the date of this Base Prospectus.]

***[In the case of Nordic Securities, insert:*** The Securities are issued in uncertificated and dematerialised form. The Securities are governed by German law, except for §1 (2) of the Terms and Conditions which is governed by and shall be construed in accordance with the laws of Denmark. No assurance can be given as to the impact of any possible judicial decision or change to German law or to Danish law (or law applicable in Germany or in Denmark), or administrative practice in Germany or in Denmark after the date of this Base Prospectus.]

"

6. ***On page 52 of the Summary of the Original Base Prospectus the item on the left "Because the global note (...)" shall be deleted in its entirety and shall be replaced by the following:***

"

[Because the global note may be held by or on behalf of Clearstream Banking AG, Frankfurt am Main ("CBF"), Holders will have to rely on the procedures of CBF for transfer, payment and communication with the Issuer:

"

7. ***On page 52 of the Summary of the Original Base Prospectus in the item "[Because the global note (...)]" the third paragraph in the right column shall be deleted in its entirety and shall be replaced by the following:***

"

The Issuer has no responsibility or liability under any circumstances for any acts and omissions of CBF or for any losses which might occur to a Holder out of such acts and omissions in general and for the records relating to, or payments made in respect of, beneficial interests in the Global Note, in particular.]

"



**8. On page 52 of the Summary of the Original Base Prospectus above the item "Further factors influencing (...)" a new item "[Because the Securities are issued in uncertificated and dematerialised form, Holders will have to rely on the Clearing System's procedures for transfer, payment and communication with the Issuer:" shall be inserted containing the following wording in the right column:**

"

The Securities are issued in uncertificated and dematerialised form and are registered in the book-entry system of VP. The Securities will not be evidenced by any physical note or document of title other than statements of account made by VP. Ownership of Securities will be recorded and transfer effected only through the book-entry system and register maintained by VP and in accordance with Danish law.]

"

**9. On pages 121 and 122 of the Original Base Prospectus the paragraph under the heading "Change of Law" shall be deleted in its entirety and shall be replaced by the following:**

"

The Non-Nordic Securities will be governed by German law. No assurance can be given as to the impact of any possible judicial decision or change to German law (or law applicable in Germany), or administrative practice in Germany after the date of this Base Prospectus.

The Nordic Securities are issued in uncertificated and dematerialised form and are governed by German law, except for §1 (2) of the Terms and Conditions which is governed by and shall be construed in accordance with the laws of Denmark. No assurance can be given as to the impact of any possible judicial decision or change to German law or to Danish law (or law applicable in Germany or in Denmark), or administrative practice in Germany or in Denmark after the date of this Base Prospectus.

"

**10. On page 129 of the Original Base Prospectus after the paragraph "Holders of beneficial interests (...)" the following paragraphs shall be inserted:**

"

Nordic-Securities will be issued in uncertificated and dematerialised form to be registered in the book-entry system of VP. Such Securities will not be evidenced by any physical note or document of title other than statements of account made by VP. Ownership of such Securities will be recorded and transfer effected only through the book-entry system and register maintained by VP and in accordance with Danish law.

"

**11. On page 154 of the Original Base Prospectus under the subheading "General" under the heading "I. Description of the Programme" the paragraph "All Securities issued under this Programme (...)" shall be deleted in its entirety and shall be replaced by the following:**

"

The Securities issued under this Programme are issued under German law and are debt securities (*Schuldverschreibungen*) in the meaning of §793 of the German Civil Code (*Bürgerliches Gesetzbuch*). Non-Nordic Securities are issued in bearer form and are registered in the book-entry system of CBF.

Nordic Securities are issued in uncertificated and dematerialised form. Ownership of Nordic Securities will be recorded and transfer effected only through the book-entry system and register maintained by VP and in accordance with Danish law.

"

**12. On pages 157 and 158 of the Original Base Prospectus the paragraphs under the heading "Clearing Settlement and Initial Delivery of Securities" shall be deleted in their**

**entirety and shall be replaced by the following:**

Securities will be accepted for clearing through Clearstream Banking AG Frankfurt, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany ("**CBF**") and VP Securities A/S Weidekampsgade 14, P.O. Box 4040, 2300 Koebenhavn S, Denmark ("**VP**") (each, a "**Clearing System**").

In case of Securities cleared through CBF, the Global Note(s) representing the Securities will be deposited on the issue date with CBF. Each Holder will have co-ownership interests (*Miteigentumsanteile*) in the relevant Global Note(s), which are transferable in accordance with the rules and procedures of CBF.

Payments on the Global Note(s) will be made to CBF or to its order for credit to the relevant accountholders of CBF. The Issuer will be discharged by payment to, or to the order of, CBF.

In the case of Nordic Securities settlement of sale and purchase transactions will take place in accordance with market practice at the time of the transaction. Transfers of interests in Nordic Securities will take place in accordance with the VP rules and in accordance with Danish law. Secondary market clearance and settlement through Euroclear is possible through depository links established between VP and Euroclear. Transfers of Nordic Securities held in VP through CBF are only possible by using an account holding institute linked to VP.

"

**13. On page 160 of the Original Base Prospectus the paragraph under the heading "Notification of the Base Prospectus" shall be deleted in its entirety and shall be replaced by the following:**

"

The Issuers have applied for a notification of the Base Prospectus into Austria, Denmark, Finland and Germany.

"

**14. On page 186 of the Original Base Prospectus the second paragraph under the heading "Consent to the use of the Base Prospectus" shall be deleted in its entirety and shall be replaced by the following:**

"

Such consent may be given to one or more (individual consent) specified financial intermediary/intermediaries, as stated in the Final Terms, and, in addition to the Grand Duchy of Luxembourg, for the following member states, into which the Base Prospectus has been notified: Austria and/or Denmark and/or Finland and/or Germany and/or Italy.

"

**15. On page 188 of the Original Base Prospectus the paragraph under the heading "Securities" shall be deleted in its entirety and shall be replaced by the following:**

"

Notwithstanding the following sub-paragraph, Securities issued under this Programme are issued under German law and are debt securities (*Schuldverschreibungen*) in the meaning of §793 of the German Civil Code (*Bürgerliches Gesetzbuch*).

In case of Nordic Securities §1 (2) of the Terms and Conditions shall be governed by and construed in accordance with the laws of Denmark.

Typically, debt securities are quoted in percentage, while certificates are quoted in units.

"

**16. On page 214 of the Original Base Prospectus the text under the heading "Type, status**

***and ranking of Securities" shall be deleted in its entirety and shall be replaced by the following:***

"

The Securities issued under this Programme are issued under German law and are debt securities (*Schuldverschreibungen*) in the meaning of §793 of the German Civil Code (*Bürgerliches Gesetzbuch*). Non-Nordic Securities are issued in bearer form and are registered in the book-entry system of CBF.

Nordic Securities are issued in uncertificated and dematerialised form. Ownership of Nordic Securities will be recorded and transfer effected only through the book-entry system and register maintained by VP and in accordance with Danish law.

The obligations under the Securities constitute unsecured and unsubordinated obligations of the relevant Issuer ranking pari passu among themselves and pari passu with all other unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

"

***17. On page 214 of the Original Base Prospectus the paragraph under the heading "Form of Securities" shall be deleted in its entirety and shall be replaced by the following:***

"

Non-Nordic Securities are represented by one or more Global Note(s) in bearer form. Securities in definitive form will not be issued.

Nordic Securities are issued in uncertificated and dematerialised form and are registered in the book-entry system of VP in accordance with the Danish Capital Markets Act (*Lov om kapitalmarkeder*), as amended and supplemented from time to time, and the Executive Order on Book-Entry of Dematerialised Securities in a Central Securities Depository (*Bekendtgørelse om registrering af fondsaktiver i en værdipapircentral (CSD)*), as amended from time to time (the "**Danish CSD Rules**"). No physical securities, such as global temporary or permanent securities or definitive securities will be issued in respect of the Nordic Securities.

"

***18. On page 215 of the Original Base Prospectus the first paragraph under the heading "Governing law, place of performance (...)" shall be deleted in its entirety and shall be replaced by the following:***

"

The Securities are governed by German law. The Guarantee shall be governed and construed in accordance with New York law, without regard to the conflict of laws principles. In case of Nordic Securities §1 (2) of the Terms and Conditions shall be governed by and construed in accordance with the laws of Denmark.

"

**19. On page 218 of the Original Base Prospectus the text under the heading "Terms and Conditions" shall be deleted in its entirety and shall be replaced by the following:**

"  
The conditions applicable to the relevant issue of Securities (the "**Terms and Conditions**") will be determined as follows:

The Final Terms will (i) determine which of the General Option I or II of the General Terms and Conditions of the Securities and which of the Issue Specific Option I through XVII of the Issue Specific Terms and Conditions of the Securities shall apply to the relevant issue of Securities by inserting such General Option and such Issue Specific Option in the Final Terms Part II and will (ii) specify and complete such Options so inserted, respectively. When completing §4a (Definitions) of the Issue Specific Terms and Conditions for the relevant issue of Securities, the applicable definitions may be reordered alphabetically for comprehensibility purposes.

"

**20. On page 221 of the Original Base Prospectus the paragraph "(2) Global Note. The Securities (...)" in §1 shall be deleted in its entirety and shall be replaced by the following:**

"

**[In the case of Non-Nordic Securities, insert:**

(2) *Global Note.* The Securities are represented by a global note (the "**Global Note**") without coupons which shall be signed manually by one or more authorised signatory/ies of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. The holders of the Securities (each a "**Holder**" and, together, the "**Holders**") will not have the right to demand or to receive definitive securities under any circumstances.

"

**21. On page 221 of the Original Base Prospectus the paragraph "(3) Clearing System. (...)" in §1 shall be deleted in its entirety and shall be replaced by the following:**

"

(3) *Clearing System.* Each Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Securities have been satisfied. "**Clearing System**" means the following: Clearstream Banking AG, Frankfurt am Main ("**CBF**") or any successor in this capacity. The Holders have claims to co-ownership shares (*Miteigentumsanteile*) of the respective Global Note which may be transferred in accordance with the rules and regulations of the respective Clearing System.]

**[In the case of Nordic Securities, insert:**

(2) *Form of Securities.* The Securities are issued in uncertificated and dematerialised form and are registered in the book-entry system of VP Securities A/S, Weidekampsgade 14, P.O. Box 4040, 2300 Koebenhavn S, Denmark (the "**Clearing System**") in accordance with the relevant regulations and operating procedures applicable to and/or issued by the Clearing System ("**Danish CSD Rules**"). No physical securities, such as global temporary or permanent securities or definitive securities will be issued in respect of the Securities. The Issuer shall be entitled to obtain from the Clearing System information based on the Clearing System's register regarding the Securities for the purpose of performing its obligations pursuant to these Terms and Conditions.

(3) *Holder.* "**Holder**" means the person in whose name a Security is registered with the Clearing System (including a person duly authorised to act as a nominee and who is registered as such for the relevant Security) or any other person acknowledged as the holder of the Security pursuant to the Danish CSD Rules and, accordingly, where the relevant Securities are held through a duly authorised nominee, the nominee shall be the Holder. The Holder shall, for all purposes, be treated by the Issuer as the person entitled to such Securities and the person entitled to receive the benefits of the rights represented by such Securities.

Title to the Securities will pass by transfer between accountholders at the Clearing System

perfected in accordance with the relevant Danish CSD Rules.]

"

**22. On page 222 of the Original Base Prospectus the first paragraph of §5 "[(1) The Issuer undertakes (...)]" shall be deleted in its entirety and shall be replaced by the following:**

"

[(1) The Issuer undertakes to pay the Redemption Amount [or the] [Stop Loss Amount][Minimum Amount] [within [three][five] ***insert other***] [on the] ***insert*** [the Maturity Date specified in the Table] [Business Day[s] following the Valuation Date [or the] [Stop Loss Valuation Date] [Knock Out Event] [Reset Event Termination]][exercise of a Reset Event Call by the Issuer]] (the "**Maturity Date**") ***in the case of Nordic Securities, insert:*** in accordance with the relevant Danish CSD Rules].

"

**23. On page 223 of the Original Base Prospectus the paragraph "[(•)] Payment of Principal and Interest, if any. (...)]" shall be deleted in its entirety and shall be replaced by the following:**

"

***In the case of Non-Nordic Securities, insert:***

[(•)] *Payment of Principal and Interest, if any.* Payment of principal and interest, if any, in respect of Securities shall be made, subject to applicable fiscal and other laws and regulations, in the Currency and to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and surrender of the Global Note at the specified office of any Paying Agent outside the United States.]

"

**24. On page 233 of the Original Base Prospectus the paragraph "[(e) §8 shall be deemed to be (...)]" shall be deleted in its entirety and shall be replaced by the following:**

"

***In the case of Nordic Securities, insert:*** (e) the Issuer and the Substitute Debtor have obtained all necessary authorisations as well as consents, where necessary, of the Clearing System[.]; and]]

[[e)][f)] §8 shall be deemed to be amended so that it shall also be an Event of Default under the said Condition if the Substitution Guarantee shall cease to be valid or binding on or enforceable against the Issuer.]

"

**25. On page 236 of the Original Base Prospectus the first paragraph of §13 "(1) Governing Law." shall be deleted in its entirety and shall be replaced by the following:**

"

(1) *Governing Law.* The Securities are governed by German law[.] ***In the case of Nordic Securities, insert:***, except for §1 (2) which is governed by and shall be construed in accordance with the laws of Denmark.]

"

**26. On pages 236 and 237 of the Original Base Prospectus the fourth paragraph of §13 "(4) Enforcement." shall be deleted in its entirety and shall be replaced by the following:**

"

(4) *Enforcement.* Any Holder may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Securities on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Securities (a) stating the full name and

address of the Holder[,] [and] (b) specifying the aggregate principal amount or the number of units, as the case may be, of Securities credited to such securities account on the date of such statement **[In the case of Non-Nordic Securities, insert:** and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the security in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Securities]. "Custodian" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Securities and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Securities also in any other manner permitted in the country of the proceedings.

"

**27. On page 731 of the Original Base Prospectus in "[4.][7.] Non-exempt Offer:" the right column shall be deleted in its entirety and shall be replaced by the following:**

"

[Not applicable] [An offer of Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in [Austria] [and][,] [Denmark] [and][,] [Finland] [and][,] [Germany] [and] [the Grand Duchy of Luxembourg] (the "Public Offer Jurisdiction[s]") from, and including, [•] [to, and including, [•] (the "Offer Period").] [•]

"

**28. On page 732 of the Original Base Prospectus in "[9.] [Consent to use the Base Prospectus:" the second paragraph in the right column shall be deleted in its entirety and shall be replaced by the following:**

"

[Not applicable] [Austria] [and][,] [Denmark] [and][,] [Finland] [and][,] [Germany] [and] [the Grand Duchy of Luxembourg] [The Public Offer Jurisdiction[s]]

"

**29. On page 745 of the Original Base Prospectus the first sentence in the first paragraph on the left, under the heading "Taxation" shall be deleted in its entirety and shall be replaced by the following:**

"

The information provided below comprises information on German, Austrian, Luxembourg, Dutch, English, Danish and Finnish tax law, respectively, and practice currently applicable to the Securities.

"

**30. On page 779 of the Original Base Prospectus above the heading "6. Repeal of the EU Directive on (...)" the following new paragraphs shall be inserted: (note: "6. Repeal of the EU Directive on (...)" shall become "9. Repeal of the EU Directive on (...)"**

"

## 7. Taxation in Denmark

The following is an overview of certain Danish income tax considerations relating to the Securities.

The overview is for general information only and does not purport to constitute exhaustive tax or legal advice. It is specifically noted that the overview does not address all possible tax consequences relating to the Securities. The overview is based solely upon the tax laws of Denmark in effect on the date of this Base Prospectus. Danish tax laws may be subject to change, possibly with retroactive effect.

The overview does not cover investors to whom special tax rules apply, and, therefore, may not be relevant, for example, to investors subject to the Danish Tax on Pension Yields Act (i.e. pension savings), certain institutional investors, insurance companies, pension companies, banks, stockbrokers and investors with tax liability on return on pension investments. The overview does not cover taxation of individuals and companies who carry on a business of purchasing and selling Securities. The overview only sets out the tax position of the direct owners of the Securities and further assumes that the direct investors are the beneficial owners of the Securities and any interest thereon. Sales are assumed to be sales to a third party (i.e. sales to a non-affiliated party) and any redemption is assumed to be on arm's length terms. Furthermore, it is assumed that the issuer of the Securities is not affiliated with any of the investors and that the Securities qualify as debt instruments for Danish tax purposes.

With regards to the withholding tax considerations below, these are only relevant insofar that the issuer of the Securities is a Danish tax resident, or the issuer carries out the business to which the Securities relates through a permanent establishment in Denmark.

Additionally, investors residing outside Denmark are assumed not to have a permanent establishment in Denmark.

Investors are advised to consult their tax advisors regarding the applicable tax consequences of the acquiring, holding and disposing of the Securities based on their particular circumstances.

#### **Tax considerations relating to the Securities**

The following includes an overview of certain Danish tax considerations relating to the Securities. The overview is subject to the general reservations outlined above.

#### **Taxation of Danish tax resident investors**

Individual investors

##### *Sale or redemption of Securities*

Gains from the sale or redemption of Securities are calculated as the difference between the purchase price and the sales price. In 2018, any gains are taxed as capital income at a rate up to 42 per cent. The tax rate is subject to adjustments based on all income generated in Denmark, excluding income generated from shares (i.e. capital gains and dividends derived by shares), which is subject to a separate taxation scheme.

If the net capital gains from Securities does not exceed DKK 2,000 in a giving year, then said capital income will be tax exempt.

Losses on the Securities can be used to off-set capital income in the same income year, but can generally not be carried forward.

Losses on Securities admitted to trading on a regulated market can only be offset against other capital income, if notification of the loss has been sent to the Danish tax authorities before the filing of the tax return for the relevant income year.

In the event of an investors death, the estate may be handled in one of two ways (i) the surviving spouse may choose to succeed in the tax position of the deceased, thus resulting in ongoing taxation (as outlined above) as if the spouse had acquired the Securities at the time and at the value of the deceased, or (ii) alternatively, the estate may be settled in which case the allotment of the estate will trigger inheritance tax.

If the estate is settled, all heirs will be subject to an inheritance tax based on their family relationship to the deceased, i.e. spouse, children and grandchildren are subject to a 15 per cent.

taxation of all inheritance exceeding DKK 289,000 (2018), while other family relations (or non-related persons) are subject to an inheritance tax of 36.25 per cent. of their entire inheritance.

#### *Interest on Securities*

Interest on Securities is subject to Danish capital income taxation equivalent to gains on Securities (as set out above). However, interest is not in scope for the DKK 2.000 threshold applicable for capital gains and thus always taxable irrespective of the amount.

Interest is taxed in the income year in which it is due to payment. Consequently, accrued interest is generally taxed in the income year it becomes payable.

Corporate investors

#### *Sale or redemption of Securities*

Capital gains from Securities are taxable as corporate income at a rate of 22 per cent. irrespective of ownership period. Losses on such Securities are fully deductible.

Capital gains or losses on securities are taxed based on a mark-to-marked principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the Securities at the beginning and end of the tax year. Thus, taxation will take place on an accrual basis even if no Securities have been disposed of and no gains or losses have been realised. If the Securities are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the Securities at the beginning of the income year and the realisation sum. If any Securities are acquired and realised in the same income year, the taxable income equals the difference between the acquisition sum and the realisation sum. If the Securities are acquired in the income year and not realised in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income years.

Losses on Securities can be used to off-set any corporate income and can be carried forward indefinitely. However, certain restrictions apply to the use of tax losses from previous years, if the losses utilized from previous years exceed DKK 8,205,000 (2018).

#### *Interest on Securities*

Interest on Securities is subject to Danish taxation as corporate income (at a tax rate of 22 per cent.) and is generally taxed in the income year the interest relates to, i.e. accrued interest will be taxable in the income year in which it accrues.

### **Taxation of investors residing outside Denmark**

Individual investors

#### *Sale or redemption of Securities*

Investors not resident in Denmark are normally not subject to Danish taxation on any gains realised on the sale or redemption of Securities, irrespective of the ownership period.

#### *Interest on Securities*

Interest on Securities is generally exempt from any Danish withholding tax.

Corporate investors

#### *Sale or redemption of Securities*

Corporate investors not resident in Denmark are normally not subject to Danish taxation on any



gains realised on the sale or redemption of Securities, irrespective of the ownership period, this is, however, subject to certain anti-avoidance rules that will not be described in further detail.

#### *Interest on Securities*

Interest on Securities are generally exempt from Danish withholding tax. However, Danish withholding tax may be levied on certain interest payment between affiliated parties.

#### **Securities transfer tax and stamp duties**

No Danish share transfer tax or stamp duties are payable on transfer of Securities.

#### **8. Taxation in Finland**

**The following is a brief overview of certain Finnish tax consequences of the acquisition, ownership and the sale, assignment or redemption of Securities. It does not purport to be a comprehensive description of all tax considerations, which may be relevant to a decision to purchase Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. The following information is based on the laws of Finland currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retrospective effect.**

**With regard to certain specific types of Securities, it is not always totally clear how such Securities type will be treated for tax purposes. It should also be noted that the tax authorities may change their view and that the tax courts are not bound by guidance provided by tax authorities. Even if court decisions exist with regard to certain types of Securities, it is not certain that the same reasoning will apply to the Securities due to specific features of such Securities.**

**As each issue of Securities may be subject to a different tax treatment, due to the specific terms of such issue of Securities, the following information only provides generic information on the expected tax treatment. The following information only describes the tax treatment of Securities in general and certain particularities with respect to individual types of Securities.**

**Prospective purchasers of Securities are advised to consult their own tax advisors as to the tax consequences of the acquisition, ownership and the sale, assignment or redemption of Securities, including the effect of any state or local taxes, under the tax laws of Finland and each country of which they are residents or may otherwise be liable to tax. Only these advisers will be able to take into account appropriately the details relevant to the taxation of the respective holders of the Securities.**

#### **General considerations**

The tax treatment of the Securities depends on the nature of the particular security in question. Generally Securities considered as derivative financial instruments (e.g. warrants), where the value of the security is linked to the value of the underlying instrument, are treated differently from the Securities that represent debt instruments.

Where the Securities are issued in a currency other than Euro, the sale, assignment or redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the acquisition date and the sale, assignment or redemption date respectively.

#### **Finnish resident individuals**

Capital income, irrespective of the nature of the capital income (interest, capital gain or capital income) is taxed at a rate of 30 per cent. and to the extent the annual capital income exceeds EUR 30,000 the tax rate is 34 per cent. However, interest income subject to Finnish withholding tax regime is taxed at a rate of 30 per cent. irrespective of the amount.

## Interest payments

Under Finnish law, interest income received by Finnish tax resident individuals under the Securities and the index compensation paid in connection with redemption of capital guaranteed Securities are subject to Finnish capital income tax under Finnish Income Tax Act (1535/1992, as amended), provided that the issuer is a foreign resident and the Securities are not issued by issuer's permanent establishment in Finland. Income received from the sale or redemption of certain Securities (such as zero coupon bonds) is generally considered as interest income and taxed accordingly.

In case the issuer is not resident in Finland for tax purposes, the issuer is not obligated to withhold any tax. However, an agent or intermediary resident in Finland shall withhold advance income tax from any interest, interest compensation or index compensation, paid to an individual, where such payment is made through the agent or intermediary in Finland.

If the Securities are disposed, repaid or redeemed during the loan period, any capital gain as well as accrued interest received (i.e. secondary market compensation) is taxed as capital income.

Any profits on Securities that are regarded as warrants or certificates are generally considered as capital gain. Consequently, any payments made in respect of Securities that are regarded as warrants or certificates may be made without withholding Finnish tax and should not be subject to any preliminary taxation by a Finnish Paying Agent.

## Capital gains

Capital gains realized on the sale or redemption of the Securities are subject to Finnish capital income tax.

Taxable capital gains and losses are calculated as the difference between the sales or exercise price and the aggregate of the actual acquisition cost of the Securities and the sales or exercise related expenses. Capital losses are deductible from capital gains and other capital income in the same year. Any remaining unused capital losses can be carried forward for five subsequent calendar years.

The acquisition cost presumption of 20 per cent. or 40 per cent. can be applied instead of the real acquisition cost. If the acquisition cost presumption is applied instead of the actual acquisition cost, any sales or exercise related expenses cannot be additionally deducted.

If the aggregate value of all taxable disposals of the individual does not exceed EUR 1,000 during the calendar year, the capital gain is tax exempt. Respectively the capital loss is non-tax deductible, provided that the aggregate acquisition costs do not exceed EUR 1,000.

Capital gains are not subject to tax withholding in Finland, and the taxes due are payable by the Finnish resident individual personally.

## Capital income

Finnish tax laws do not include any specific provisions on taxation of derivative instruments such as warrants and certificates. Generally capital gains from the sale or exercise of listed Securities, or Securities that could be listed, are subject to taxation in Finland as capital gains. However, restrictions with respect to the claiming of losses generally apply if certain types of Securities, such as warrants and certificates expire worthless or almost worthless.

Gains from the sale or exercise of non-listed Securities which do not qualify for capital gains taxation are taxable as general capital income of the Finnish tax resident individual (i.e. not as capital gains). Consequently, losses arising from the sale or exercise as well as from expiry of non-listed Securities which do not qualify for capital gains are generally non-tax deductible.

## **Finnish resident corporate entities**

Interest paid on the Securities to Finnish corporate entities and income arising from the disposal, repayment or redemption of the Securities are subject to final taxation of the recipient corporation either in accordance with the Finnish Business Income Tax Act (360/1968, as amended) or the Finnish Income Tax Act, depending on to which source of income the Securities belong. As of the date of this Base Prospectus the corporate income tax rate in Finland is 20 per cent.

Interest payments are generally taxable income to corporate entities and subject to final taxation as corporate income in accordance with the Finnish Business Income Tax Act or the Finnish Income Tax Act.

Income received from disposal, repayment or redemption of Securities, as well as secondary market compensation is taxable income, and the acquisition cost is in generally treated as a deductible expense.

The deductibility of capital losses depends on whether they are taxed under the Finnish Business Income Tax Act or the Finnish Income Tax Act. Capital losses taxable under the Finnish Business Income Tax Act are generally deductible from a company's income taxed under the Finnish Business Income Tax Act in the same tax year and the ten subsequent tax years, whereas capital losses taxable under the Finnish Income Tax Act are only deductible from capital gains taxed under the Finnish Income Tax Act on the year of the sale and during five subsequent years.

Companies may not use an acquisition cost presumption.

#### **Transfer taxation**

Generally the transfer of domestic securities that are not trading on a regulated market is subject to transfer tax.

As the Securities in question should not classify as Finnish securities, transfer of these Securities should not be subject to Finnish transfer taxation.

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