THIRD SUPPLEMENTAL OFFERING CIRCULAR

Morgan Stanley

as issuer and guarantor
(incorporated under the laws of the State of Delaware in the United States of America)

MORGAN STANLEY & CO. INTERNATIONAL PLC

as issuer
(incorporated with limited liability in England and Wales)

MORGAN STANLEY B.V.

as issuer
(incorporated with limited liability in The Netherlands)

MORGAN STANLEY FINANCE LLC

as issuer
(formed under the laws of the State of Delaware in the United States of America)

Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates

Morgan Stanley ("**Morgan Stanley**"), Morgan Stanley & Co. International plc ("**MSI plc**"), Morgan Stanley B.V. ("**MSBV**") and Morgan Stanley Finance LLC, a wholly-owned finance subsidiary of Morgan Stanley ("**MSFL**", together with Morgan Stanley, MSI plc and MSBV, the "**Issuers**"), and Morgan Stanley, in its capacity as guarantor (in such capacity, the "**Guarantor**") have prepared this third supplemental offering circular (the "**Third Supplemental Offering Circular**") to supplement and be read in conjunction with the offering circular dated 16 August 2016 (the "**Offering Circular**") as supplemented by the first supplemental offering circular dated 11 November 2016 (the "**First Supplemental Offering Circular**") and the second supplemental offering circular dated 20 December 2016 (the "**Second Supplemental Offering Circular**") in relation to the Issuer's Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates.

This Third Supplemental Offering Circular has been approved by:

(i) the Irish Stock Exchange as supplementary listing particulars, pursuant to the listing and admission to trading rules of the Irish Stock Exchange, for the purpose of providing information with regard to the Issuers and the Guarantor for the purposes of admitting Program Securities to the Official List of the Irish Stock Exchange and trading on its Global Exchange Market. The Global Exchange Market is the exchange regulated market of the Irish Stock Exchange and is not a regulated market for the purposes of Directive 2004/39/EC;

(ii) the SIX Swiss Exchange pursuant to points 12 et seq. of the directive of the SIX Swiss Exchange on the listing of notes for the purpose of giving certain information with regard to the Issuers and the Guarantor; and

(iii) the Luxembourg Stock Exchange pursuant the rules and regulations of the Luxembourg Stock Exchange for the purpose of providing information with regard to the Issuers and the Guarantor for the purpose of listing Program Securities on the Official List and to trading on the Euro MTF market of the Luxembourg Stock Exchange. The Euro MTF market is not a regulated market for the purposes of Directive 2004/39/EC.

Warning: This Third Supplemental Offering Circular does not constitute a "supplement" for the purposes of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the "**Prospectus Directive**"), and this Third Supplemental Offering Circular and the Offering Circular have been prepared on the basis that no prospectus shall be required under the Prospectus Directive for any Program Securities to be offered and sold under the Offering Circular. Neither the Offering Circular nor this Third Supplemental Offering have been approved or reviewed by any regulator which is a competent authority under the Prospectus Directive in the European Economic Area (the "**EEA**").

Terms defined in the Offering Circular (as supplemented by the First Supplemental Offering Circular and the Second Supplemental Offering Circular) shall have the same meaning when used in this Third Supplemental Offering

Circular. To the extent that there is any inconsistency between any statement in this Third Supplemental Offering Circular and any other statement in, or incorporated by reference in to, the Offering Circular, the statements in this Third Supplemental Offering Circular will prevail.

The purpose of this Third Supplemental Offering Circular is to update the disclosure in the Offering Circular in respect of the Description of the New York Law Notes due to the execution of the second supplemental indenture (the "**Second Supplemental Indenture**") to the Indenture dated 15 November 2000 between Morgan Stanley and the Trustee.

Each of the Issuers and the Guarantor (the "**Responsible Persons**") accepts responsibility for the information contained in this Third Supplemental Offering Circular and to the best of the knowledge of the Responsible Persons (each having taken all reasonable care to ensure that such is the case), the information contained in this Third Supplemental Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Responsible Persons confirms that save as disclosed in this Third Supplemental Offering Circular, no significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular has arisen since the publication of the Offering Circular (as supplemented by the First Supplemental Offering Circular and the Second Supplemental Offering Circular).

This Third Supplemental Offering Circular is available for viewing, and copies may be obtained from, the offices of the Issuers and the Paying Agents and is also available on Morgan Stanley's website at www.morganstanleyiq.eu and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

26 January 2017

MORGAN STANLEY

MORGAN STANLEY & CO. INTERNATIONAL PLC

MORGAN STANLEY B.V.

MORGAN STANLEY FINANCE LLC

AMENDMENTS TO THE OFFERING CIRCULAR

The Offering Circular is hereby amended as follows:

The sections entitled "**Covenants Restricting Mergers and Other Significant Actions**" and "**Events of Default**" on pages 74-76 of the Offering Circular shall be deleted in their entirety and replaced with the following text:

"Covenants Restricting Mergers and Other Significant Actions

Merger, Consolidation, Sale, Lease or Conveyance. The Indenture provides that Morgan Stanley will not merge or consolidate with any other person and will not sell, lease or convey all or substantially all of its assets to any person (other than the sale, lease or conveyance of all or substantially all of Morgan Stanley's assets to one or more of Morgan Stanley's Subsidiaries, as defined below), unless:

(i) Morgan Stanley will be the continuing corporation; or

(ii) the successor corporation or person that acquires by sale, lease or conveyance all or substantially all of its assets:

(a) if a successor to Morgan Stanley, will be a corporation organised under the laws of the United States, a state of the United States or the District of Columbia;
(b) will expressly assume all of the obligations of Morgan Stanley under the Indenture and the Notes issued under the Indenture; and
(c) immediately after the merger, consolidation, sale, lease or conveyance, Morgan Stanley, that person or that successor corporation will not be in default in the performance of the covenants and conditions of the Indenture applicable to Morgan Stanley. (Section 9.01)

A "Subsidiary" means any corporation, partnership or other entity of which at the time of determination Morgan Stanley owns or controls directly or indirectly more than 50% of the shares of voting stock or equivalent interest.

For the avoidance of doubt, the sale, lease or conveyance of all or substantially all of Morgan Stanley's assets to one or more of Morgan Stanley's Subsidiaries is not subject to any restrictions under the Indenture.

Absence of Protections Against All Potential Actions of Morgan Stanley. There are no covenants or other provisions in the Indenture that would afford Noteholders additional protection in the event of a recapitalisation transaction, a change of control of Morgan Stanley or a highly leveraged transaction. The merger covenant described above would only apply if the recapitalisation transaction, change of control or highly leveraged transaction were structured to include a merger or consolidation of Morgan Stanley or a sale, lease or conveyance of all or substantially all of the assets of Morgan Stanley. However, Morgan Stanley may provide specific protections, such as a put right or increased interest, for particular Notes, which Morgan Stanley would describe in the applicable Pricing Supplement.

Events of Default

The Indenture provides Noteholders with certain remedies if Morgan Stanley fails to perform specific obligations, such as making payments on the Notes or other indebtedness, or if Morgan Stanley becomes bankrupt. Holders should review these provisions and understand which of Morgan Stanley's actions trigger an Event of Default and which actions do not. The Indenture provisions permit the issuance of Notes in one or more series, and, in many cases, whether an Event of Default has occurred is determined on a series by series basis.

An Event of Default is defined under the Indenture, with respect to any series of Notes issued under the Indenture, as being:

(i) default in payment for 30 days of any principal, premium of the Notes of that series, either at maturity or upon any redemption, by declaration or otherwise;

(ii) default for 30 days in payment of any interest and/or supplemental amount payable in accordance with the terms of the Notes of that series;

(iii) any other Event of Default provided in the supplemental indenture under which that series of Notes is issued (Section 5.01); and

(iv) events of bankruptcy, insolvency or reorganisation.

In the case of a default in payment of any principal or any interest with respect to the Notes issued under the Indenture, there will only be an Event of Default, and therefore a right of acceleration, if such default continues for a period of 30 days.

Acceleration of Notes upon Event of Default. The Indenture provides that:

(i) if an Event of Default due to the default in payment of principal of, or any premium or interest on or supplemental amount due with respect to, any series of Notes issued under the Indenture occurs and is continuing, then and in each and every such case, except for any series of Notes the principal of which shall have already become due and payable, either the Trustee or the holders of not less than 25 per cent. in aggregate principal amount of the outstanding Notes of each affected series issued under the Indenture (voting as a single class) by notice in writing to Morgan Stanley (and to the Trustee if given by the holders of the Notes) may declare the entire principal of all Notes of each affected series and interest accrued thereon to be due and payable immediately; and

(ii) if an Event of Default due to certain events of bankruptcy, insolvency or reorganisation of Morgan Stanley will have occurred and be continuing, then and in each and every such case, unless the principal of all the Securities shall have already become due and payable, either the Trustee or the holders of not less than 25 per cent. in aggregate principal amount of all outstanding Notes issued under the Indenture (treated as one class) by notice in writing to Morgan Stanley (and to the Trustee if given by the holders of the Notes) may declare the principal of all those Notes and interest accrued thereon to be due and payable immediately. (Section 5.01)

Unless otherwise stated in the applicable pricing supplement, Notes issued under the Indenture will have the benefit of these acceleration provisions.

There will be no Event of Default, and therefore no right of acceleration, in the case of a default in the performance of any covenant or obligation with respect to the Notes issued under the Indenture (other than a covenant or warranty which is specifically dealt with above). If any such default occurs and is continuing, the Trustee may pursue legal action to enforce the performance of any provision in the Indenture to protect the rights of the Trustee and the holders of the Notes issued under the Indenture. (Section 5.04)

Annulment of Acceleration and Waiver of Defaults. In some circumstances, if any and all Events of Default under the Indenture, other than the non-payment of the principal of the Notes that has become due as a result of an acceleration, have been cured, waived or otherwise remedied, then the holders of a majority in aggregate principal amount of all series of outstanding Notes affected, voting as one class, may waive past defaults and rescind and annul past declarations of acceleration of the Notes. (Section 5.01)

Prior to the acceleration of any Notes, the holders of a majority in aggregate principal amount of all series of outstanding Notes with respect to which an event of default or a covenant breach has occurred and is continuing, voting as one class, may waive any past default or event of default or any past covenant breach, other than a default in respect of a covenant or provision in the Indenture that cannot be modified or amended without the consent of the holder of each Note affected. (Section 5.10)

Indemnification of Trustee for Certain Actions. The Indenture contains a provision entitling the Trustee, subject to the duty of the Trustee during a default to act with the required standard of care, to be indemnified by the Noteholders issued under the Indenture before proceeding to exercise any right or power under the Indenture at the request of such holders. (Section 6.02) Subject to these provisions and some other limitations, the holders of a majority in principal amount of each series of outstanding Notes of affected series, voting as one class, issued under the Indenture may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee. (Section 5.09)

In connection with the exercise of its powers, trusts, authorities or discretions, the Trustee shall have regard to the interests of the holders of the relevant series of Notes affected or of all outstanding Notes affected, as the case may be, as a class. In particular, but without limitation, the Trustee shall not have regard to the consequences of such exercise for individual holders of the relevant series of Notes affected or of all outstanding Notes affected, as the case may be, resulting from such individual holders being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. The Trustee shall not be entitled to require, nor shall any holder of the relevant series of Notes affected or of all outstanding Notes affected (as the case may be) be entitled to claim, from Morgan Stanley any indemnification or payment in respect of any tax consequence of any such exercise upon individual holders of the relevant series of Notes affected or of all outstanding Notes affected, as the case may be. (Sections 5.06 and 5.09)

Limitation on Actions by an Individual Holder. The Indenture provides that no individual holder of Notes issued under the Indenture may institute any action against Morgan Stanley under the Indenture, except actions for payment of overdue principal and interest, unless each of the following actions have occurred:

(i) the holder must have previously given written notice to the Trustee of the continuing default;

(ii) the holders of not less than 25 per cent. in aggregate principal amount of each affected series of the outstanding Notes treated as one class, must have (i) requested the Trustee to institute that action and (ii) offered the Trustee reasonable indemnity;

(iii) the Trustee must have failed to institute that action within 60 days of the request referred to above; and

(iv) the holders of a majority in principal amount of the outstanding Notes of each affected series, treated as one class, must not have given directions to the Trustee inconsistent with those of the holders referred to above. (Sections 5.06 and 5.09)

Annual Certification. The Indenture contains a covenant that Morgan Stanley will file annually with the Trustee a certificate of no default or a certificate specifying any default that exists. (Section 3.05)"

2. A section entitled "**Total Loss-Absorbing Capacity**" shall be added after "**Events of Default**" on pages 75-76 of the Offering Circular and prior to "**Discharge, Defeasance and Covenant Defeasance**" on pages 76-77 of the Offering Circular as follows:

"Total Loss-Absorbing Capacity

We intend that the Notes will, when issued, constitute "loss-absorbing capacity" within the meaning of the final rules issued by the Board of Governors of the Federal Reserve System and, accordingly, will have only those provisions described in this Offering Circular that will permit compliance thereof at such time of issuance. In this respect, we are a parent holding company and have no operations and depend on dividends, distributions and other payments from our subsidiaries to fund our debt obligations (including Notes). Under a support agreement that we have entered with our material subsidiaries, upon the occurrence of a resolution scenario, including a single-point-of-entry resolution strategy as contemplated in our resolution plan, we would be obligated to contribute or loan on a subordinated basis all of our material assets, other than shares in our subsidiaries and certain intercompany payables, to provide capital and liquidity, as applicable, to our material subsidiaries. That obligation will be secured, in accordance with an amended and restated secured support agreement, on a senior basis by our assets (other than shares in our subsidiaries). As a result, claims of our material subsidiaries against our assets (other than shares in our subsidiaries) will be effectively senior to our unsecured obligations, including Notes which would be at risk of absorbing our and our subsidiaries' losses."

3. The last paragraph of the sub-section entitled "**Notes**" within the section entitled "**UNITED STATES FEDERAL TAXATION**" on page 357 of the Offering Circular shall be deleted in its entirety and replaced with the following text:

"*Notes Linked to Commodity Prices, Single Securities, Baskets of Securities, Indices, Exchange Traded Funds or other Funds, Currencies and Credit-Linked Notes.* The U.S. federal income tax consequences to a Non-U.S. Holder of the ownership and disposition of Notes that have principal or interest determined by reference to commodity prices, securities of entities not affiliated with the relevant Issuer, baskets of securities or indices, exchange traded funds or other funds, currencies or the credit of entities not affiliated with the relevant Issuer may vary depending upon the exact terms of the Notes and related factors. However, the Issuers intend to treat Credit-Linked Notes as a unit consisting of (i) a put right written by you to us that, upon the occurrence of certain events, requires you to pay to us an amount equal to the deposit (as described in clause (ii)), in exchange for a cash amount based on the value of the Relevant Underlying, and (ii) a deposit with us of a fixed amount of cash to secure your obligation under the put right. Based on this treatment, a portion of the periodic payments on the Notes will be treated as interest on the deposit, and the remainder will be attributable to the premium on the put right. Except as otherwise discussed below in "—Section 897 of the Code," "—Dividend Equivalent Amounts," "— FATCA" and "—Backup Withholding and Information Reporting," or otherwise indicated in an applicable Pricing Supplement, the Issuers do not expect payments on the Notes to be subject to any U.S. federal withholding tax, provided that, if the Notes are treated in whole or in part as indebtedness (including the deposit described above) issued by Morgan Stanley or MSFL for U.S. federal income tax purposes, the certification requirements above under "—Notes" are met. However, Notes of the type described in this paragraph may be subject to rules that differ from the general rules discussed above. In these instances, an applicable Pricing Supplement will disclose such special rules."