Article 450 of CRR Disclosure

Morgan Stanley International Limited Regulatory Compensation Disclosure

Morgan Stanley International Limited | As at 31 December 2019

This Compensation Disclosure (the "Disclosure") sets out the principles relating to compensation within Morgan Stanley International Limited ("MSI") and its subsidiaries (together, the "MSI Group"). Some of the policies, practices and procedures outlined in the Disclosure apply globally to Morgan Stanley, its subsidiaries and affiliates (the "Company"). The Disclosure has been established in line with the Capital Requirements Directive ("CRD IV"), Capital Requirements Regulation ("CRR"), the European Banking Authority ("EBA") Guidelines on Sound Remuneration Policies, the Financial Conduct Authority's ("FCA") Dual-Regulated Company's Remuneration Code set out in the FCA's Senior Management Arrangements, Systems and Controls (SYSC) at SYSC 19D, the Prudential Regulation Authority ("PRA") Rulebook (Remuneration Part), and any associated regulations and guidance, including from the EBA, PRA and FCA (together the "UK Compensation Rules").

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1. Morgan Stanley Compensation Objectives and Strategy

The Company is committed to a responsible and effective compensation program that is aligned with shareholder and Company strategy, is motivating, competitive, and reflects current best practices in corporate governance, risk management and regulatory principles.

The Company's compensation processes are aligned with the Company's core values of Putting Clients First, Leading with Exceptional Ideas, Doing the Right Thing and Giving Back. The alignment with the Company's core values is a key element considered as part of the performance measurement process (see section 5b).

The Global Compensation, Management Development and Succession Committee ("CMDS Committee") of the Morgan Stanley Board of Directors continually evaluates the Company's compensation programs with a view towards balancing the following key objectives, all of which support the Company's culture and values and shareholders' interests:

- **Deliver Pay for Sustainable Performance.**
  - Variable annual incentives and, for certain senior executives, performance-vested long-term incentives tied to future performance against strategic objectives
  - Consideration of returns for shareholders and appropriate rewards to motivate employees
- **Align Compensation with Shareholders' Interests.**
  - Significant portion of incentive compensation is deferred, subject to cancellation and clawback, and tied to the Company's stock with retention requirements
  - Ongoing shareholder engagement to understand shareholder views
- **Attract and Retain Top Talent.**
  - Competitive pay levels to attract and retain the most qualified employees in a highly competitive global talent environment
  - Incentive awards include vesting and cancellation provisions that retain employees and protect the Company's interests
- **Mitigate Excessive Risk-taking.**
  - Compensation arrangements do not incentivize unnecessary or excessive risk-taking that could have a material adverse effect on the Company
  - Robust governance around review and approval of compensation programs, including from a risk perspective

2. Categories of staff whose professional activities have a material impact on the MSI Group's risk profile

The MSI Group has established a formal identification framework to identify staff whose professional activities have a material impact on the MSI Group's risk profile (material risk takers, referred to as "Code Staff" in this Disclosure). The MSI Group Code Staff identification framework complies with the qualitative and quantitative criteria set out in Articles 3 and 4 of Commission Delegated Regulation (EU) No 604/2014. The identification framework is reviewed on an annual basis in line with the UK Compensation Rules and the outcome of the review is subject to the approval of EMEA Control Functions Heads, the EMEA Remuneration Oversight Committee ("EROC"), and the MSI Remuneration Committee.

In accordance with Article 4(4) and Article 4(5) of Commission Delegated Regulation (EU) No 604/2014, the MSI Group notifies the PRA and FCA of exclusions of individuals earning above the compensation threshold set out in Article 4(1) who do not have a material impact on the MSI Group's risk profile in line with Article 4(2) and Article 4(3) of Commission Delegated Regulation (EU). The MSI Group does not exclude any individuals earning above €1,000,000.

Code Staff are subject to the UK Compensation Rules.

3. Decision-making process used for determining compensation policies applicable to Code Staff

3a. Composition and mandate of the EROC, the MSI [Group] Remuneration Committee, and the CMDS Committee

EROC provides formal oversight of EMEA compensation matters to ensure compensation practices in EMEA are compliant with relevant UK and EU legislation and follow good practice standards. The EROC met five times in 2019 and consisted of the EMEA Chief Executive Officer, the International Head of Human Resources, the EMEA Chief Finance Officer, the EMEA Chief Legal Officer, the EMEA Head of Compliance, and the EMEA Chief Risk Officer. EROC certified compliance with regulatory requirements to the MSI Group Remuneration Committee ("MSI RemCo").

The MSI RemCo was appointed by the MSI Board of Directors to oversee the design and implementation of the compensation policies and practices applicable to the MSI Group, which includes contributing to the global policy development that is subject to oversight by the CMDS Committee, as well as overseeing compliance by the MSI Group with applicable EU and UK compensation rules. The MSI RemCo is comprised of three non-executive directors and met five times over the course of 2019. On December 31, 2019, the members were Mary Phibbs (Chair), Terri Duhon and Jonathan Bloomer.

The CMDS Committee is comprised of four directors, including the independent Lead Director of the Board, all of whom are independent under the New York Stock Exchange listing standards and the independence requirements of the Company. In 2019, the CMDS Committee held eight meetings. As of December 31, 2019, the members were Hutham Olayan (Chair), Thomas H. Glocer, Dennis M. Nally, and Rayford Wilkins, Jr. The CMDS Committee operates under a written charter adopted by the Board, which is available on Morgan Stanley's website at http://www.morganstanley.com/about-us-governance/comchart.html.

The CMDS Committee regularly reviews (i) Company performance with respect to execution of strategic objectives and evaluates executive performance in light of such performance; (ii) executive compensation strategy, including the competitive environment and the design and structure of the Company's compensation programs to ensure that they are consistent with and support the Company's compensation objectives; and (iii) market trends and legislative and regulatory developments affecting compensation in the U.S. and globally.

3b. Role of the relevant stakeholders and external consultant

The CMDS Committee has the power to appoint independent compensation consultants, legal counsel, or financial or other advisors as it may deem necessary to assist it in the performance of its duties and responsibilities. The CMDS Committee has retained an independent compensation consultant, Pay Governance, to assists the CMDS Committee in collecting and evaluating external market data regarding executive compensation and performance and advise the CMDS Committee on developing trends and best practices in executive compensation and equity and incentive plan design. In performing these services, Pay Governance attends meetings of the CMDS Committee regularly, including portions of the meetings without management present, and separately with the CMDS Committee Chair. Pay Governance is the CMDS Committee's independent advisor and does not provide any other services to the Company or its executive officers that could jeopardize its independent status. The Company has affirmatively determined that no conflict of interest has arisen in connection with the work of Pay Governance as compensation consultant for the CMDS Committee.

Further, together with the global Chief Risk Officer ("CRO"), the CMDS Committee oversees the Company's incentive compensation arrangements to help ensure that such arrangements are consistent with the safety and soundness of the Company and do not encourage excessive risk-taking, and are otherwise consistent with applicable related regulatory rules and guidance. The CRO attends CMDS Committee meetings at least annually, and on an as needed basis, to discuss the risk attributes of the Company's incentive compensation arrangements. The CRO reported to the CMDS Committee his conclusion that the Company's current compensation programs for 2019 do not incentivize employees to take unnecessary or excessive risk and that such programs do not create risks that are reasonably likely to have a material adverse effect on the Company.

4. Link between pay and performance

The Company has a 'pay for performance' philosophy, which is reflected throughout the four key objectives of its compensation programs (see section 1) and applies across all lines of business.

Performance is taken into account at every step of the variable compensation cycle, from the ex-ante adjustment and determination of variable compensation to the delivery and where applicable ex-post adjustment of compensation.

Performance measurement for year-end compensation is subject to a multi-dimensional process that considers individual, Company and business segment performance. Our 'pay for performance' philosophy means that where a variable compensation award is not appropriate, none will be paid; every year, a portion of our eligible population does not receive variable compensation. The governance around the performance evaluation and compensation decision-making process ensures decisions are a product of a number of inputs including performance, risk and conduct. Further information in relation to performance measurement and criteria is provided in sections 5b and 7.

Delivering a portion of deferred incentive compensation awards in the form of equity links variable compensation to Company performance through the Company's stock price performance. Risk outcomes that result in a negative impact to the Company reduce the value of the equity, and the employee is subject to this decline in value through the deferral period. In addition to cancellation and clawback, there is a formal governance process to consider and determine ex-ante and ex-post adjustments to individual variable annual incentive compensation. Further information in relation to Code Staff deferral characteristics including vesting conditions and ex-post adjustments are included in section 5.

5. Design characteristics of the Compensation System

Compensation for the majority of employees is comprised of two key elements:

- Fixed compensation consisting of base salary and, for certain employees, a Role Based Allowance ("RBA"); and
- Discretionary variable annual incentive compensation that is based on a number of factors, including Company, business unit, and individual performance.

RBAs are considered to be fixed compensation because they meet the requirements of the relevant compensation rules, are paid monthly in cash via payroll and are based on an individual's role and responsibilities.

The variable annual incentive compensation for Code Staff may be payable in upfront cash bonus, stock bonus award and a mix of deferred cash-based and equity awards and, at a minimum, is structured to satisfy the following requirements of the FCA Remuneration Code for dual-regulated firms (SYSC 19D), Principle 12 ('FCA Remuneration Structures'), and Rule 15 of the PRA Rulebook (Remuneration Part):

- Ratio between the fixed and the variable components of total compensation does not exceed 1:2 (see section 6)
- A minimum of 40% to 60% of variable annual incentive compensation is deferred as follows:
    - As defined under the UK Senior Managers Regime:
        - PRA Senior Managers have a minimum of a 7-year deferral, with vesting starting in year 3 on a pro rata basis between years 3 and 7.
        - FCA Senior Managers have a minimum of a 5-year deferral, with vesting starting in year 1 on a pro rata basis.
    - Risk Managers (as defined in the PRA Policy Statement PRA PS12/15) have a minimum of a 5 year deferral, with vesting starting from year 1 on a pro rata basis.
    - All other Code Staff employees have a minimum of a 3-year deferral, with vesting starting from year 1 on a pro-rata basis.
- 50% of deferred variable annual incentive compensation is awarded in equity, which may increase for MSI Group Code Staff who are also members of the Company's global senior management. The remainder of deferred variable annual incentive compensation is awarded in the form of deferred cash;
- The remaining non-deferred variable annual incentive compensation is awarded 50% as a stock bonus award, with the remaining 50% as upfront cash bonus;

- Deferred equity awards are subject to a 12 month (6 months for Risk Managers who are not considered members of senior management, or who are not Senior Managers) post-vest sales restriction period, and stock bonus awards for all Code Staff deliver after 12 months; and
- Subject to local law, variable annual incentive compensation is subject to clawback for a period of up to 7 years from the date on which it is awarded, or in the case of Senior Managers who are the subject of an ongoing investigation, clawback can be extended to a period of up to 10 years.

Per the FCA Remuneration Structures and the PRA Rulebook (Remuneration Part), Code Staff whose (i) variable annual incentive compensation is no more than 33% of their total compensation, and (ii) total compensation is no more than £500,000 (or the local currency equivalent) are not subject to the full scope of UK Compensation Rules. However, such Code Staff continue to be subject to the Company's deferral practices for the general employee population.

Proportionality is applied at an entity level for some parts of the MSI Group. Compensation practices for the MSI Group are consistent with, and promote, sound and effective risk management.

The following table provides details of the principal variable annual incentive compensation elements for Code Staff in 2019, including the deferral policy and vesting criteria, which are all consistent with, and promote, sound and effective risk management. These elements apply to all Code Staff employees (unless they meet the defined criteria set by the regulator), and this includes Code Staff employees in the control functions and members of the management body in its management function.

CODE STAFF COMPENSATION ELEMENTS	DESCRIPTION AND OBJECTIVES	CANCELLATION (MALUS) AND CLAWBACK FEATURES
a. Deferred Cash-Based Awards under the global Morgan Stanley Compensation Incentive Plan (MSCIP) or Investment Management Alignment Plan (IMAP)	The deferred cash-based awards provide a cash incentive with a rate of return based upon notional reference investments The terms of deferred cash-based awards support retention objectives and mitigate excessive risk-taking. Awards are payable, and cancellation provisions lift, pro-rata over the 3, 5, or 7 (depending if the employee is a Senior Manager, a Risk Manager, or other Code Staff employee) years following grant.	Morgan Stanley will consider the exercise of Cancellation and/or Clawback (whether or not the Code Staff remains employed by Morgan Stanley), where it determines in its sole discretion that one or more of the following circumstances apply: • Morgan Stanley and/or the relevant regulated entity and/or relevant business unit suffers a material downturn in its financial performance (subject to cancellation only); • Morgan Stanley and/or the relevant regulated entity and/or relevant business unit in which the Code Staff works (or for which he/she is responsible) suffers a material failure of risk management; • There is reasonable evidence of misbehaviour or material error by the Code Staff; • The Code Staff participated in or was responsible for conduct that resulted in significant losses to Morgan Stanley; • The Code Staff directly and/or materially, through his/her conduct, contributed to a regulatory sanction (or sanctions) being imposed; • The Code Staff's actionswere connected with a significant increase in Morgan Stanley's or the relevant regulated entity or business unit's economic or regulatory capital base; • The Code Staff failed to meet appropriate standards of fitness and propriety; or • In relation to a PRA Buyout Award, Morgan Stanley has received a Reduction Notice, in accordance with Rule 15A of the Remuneration Part of the PRA Rulebook. The Company will also take into consideration the Code Staff's proximity to the failure in risk management in question and that individual's level of responsibility.
b. Equity Awards — Deferred Restricted Stock Units (RSUs) and Upfront Stock Bonus Awards under the global Equity Incentive Compensation Plan (EICP)	RSUs support retention objectives and link realized value to shareholder returns. The terms of RSUs serve to mitigate excessive risk-taking. RSUs convert to shares of Morgan Stanley common stock, and cancellation provisions lift, pro-rata over the 3, 5, or 7 (depending if the employee is a Senior Manager, a Risk Manager, or other Code Staff employee) years following grant. Shares resulting from the conversion of RSU awards are subject to a 12 month post-vest transfer restriction period (or 6 months for Risk Managers who are not considered members of senior management, or who are not Senior Managers). These RSUs are not eligible for dividend equivalents during the deferral period. An adjusted grant date fair market value is used to determine the number of RSUs awarded to each Code Staff employee. Upfront stock bonus awards for all Code Staff employees vest and convert after 6 months and the resulting shares have a six-month post-vest sales restriction.	
c. Cash Bonus	Paying a portion of compensation in upfront cash bonus is aligned with competitive pay approaches.	Any cash bonus is subject to repayment, recovery and recapture pursuant to the Company's EMEA Material Risk Taker Cancellation and Clawback Policy, as amended from time to time, and any applicable clawback, repayment, recapture or recovery requirements imposed under applicable laws, rules and regulations.

The Company expects deferred incentive awards to constitute a significant component of employees' total compensation and to be designed to protect the Company's long term interests and align with shareholders' interests. Notwithstanding this, our 'pay for performance' philosophy means that where a variable award is not appropriate, none will be paid, and every year a portion of our eligible population receives no variable compensation.

Members of the Company's Operating Committee are subject to an Equity Ownership Commitment, pursuant to whichthey are required to hold common stock and equity awards equal to a percentage of common stock received from equity awards (less allowances for the payment of any option exercise price and taxes) granted to them for service on the Operating Committee.

Compensation decisions for employees in our independent control functions are determined by senior management of those divisions, wholly independent of the business areas. The senior management of each control function allocates variable compensation among managers who then allocate among individual employees, taking into account the results of the performance evaluation process, competitive rates of pay, market conditions and relative performance.

Guaranteed variable compensation is only paid in exceptional circumstances in the context of hiring new staff and is limited to the first year of service. The awarding of guaranteed variable compensation is subject to an approval process, which includes receiving approval from the appropriate Senior Manager, the EMEA Head of Compensation, and in certain circumstances the global Chief Human Resources Officer.

Termination payments made to some employees on leaving the MSI Group are reviewed in accordance with the MSI Group's severance framework, which complies with the relevant compensation rules.

5a. Risk Adjustment

The Company continuously monitors the effectiveness of its compensation structure and evaluates whether it achieves balanced risk-taking, and also utilizes a thorough process of considering risk-adjusted performance, compliance with risk limits and the market and competitive environment when sizing and allocating annual incentive compensation pools.

Throughout the year, employee conduct matters that are escalated through the Company's Global Conduct Risk Program are reviewed to determine whether they present situations that could require clawback or cancellation of previously awarded compensation, as well as downward adjustments to current year compensation. Cancellations and clawbacks of previously awarded compensation are reviewed quarterly with the Employee Discipline Oversight Committee (a committee of senior management currently composed of the Chief Financial Officer, Chief Legal Officer, CRO, Chief Human Resources Officer , and Chief Compliance Officer) and reported to the CMDS Committee. This process is enhanced by a formalized EMEA malus review process as part of the EROC governance. This process involves EROC assessing situations which may warrant adjustment to current year variable compensation and/or to apply cancellation and/or clawback, with reference to specific criteria that are contained in governing incentive compensation award documents and applicable policies. The MSI RemCo receives regular updates on the malus review process.

All variable compensation for Code Staff have provisions that allow for clawback of any awards or compensation paid or delivered. The Operating Committee cancellation provision allows for Operating Committee deferred equity and deferred cash awards to be cancelled in full or in part prior to distribution at the sole discretion of the CMDS Committee if the Operating Committee member had significant responsibility for a material adverse outcome for the Company or any of its businesses or functions.

5b. Performance Measurement

Performance measurement for year-end compensation for each employee is subject to a multi-dimensional process, which considers, amongst other factors, individual, global and business segment performance. This takes into account financial as well as non-financial performance metrics. The Company has a Global Incentive Compensation Discretion Policy that sets forth standards for managers on the use of discretion when making annual compensation decisions and considerations for assessing risk management and outcomes. The policy specifically provides that all managers must consider whether their team members managed risk appropriately and effectively managed and supervised the risk control practices of the employees reporting into them during the performance year. Managers are trained on these requirements annually and are required to certify compliance with the applicable requirements. In addition, conduct, culture, and core values must be considered in the year-end performance evaluation process by considering whether the employee performed his/her job responsibilities in ways consistent with the Company's culture and core values (see section 1). During the year-end performance and compensation processes, managers are provided with an Employee Performance Dashboard, which is an aggregation of performance inputs, including the areas of Risk Management, Conduct and Control. These inputs are included in the Company's compensation system to ensure these factors are taken into account in compensation decisions.

6. Ratios between fixed and variable compensation set in accordance with Article 94(1)(g) of Directive 2013/36/EU (CRD IV)

The Company's policy on ratios between fixed and variable compensation is to allow for flexibility, whilst recognizing the need to ensure that levels of compensation are appropriately balanced between fixed and short- and long-term variable incentive compensation. Morgan Stanley International Holdings Inc., as the sole shareholder of MSI, approved a ratio of 1:2 of fixed compensation to variable compensation for Code Staff in the EU businesses with effect from 17 December 2013 in accordance with SYSC 19D.3.49 and Rule 15.10 of the PRA Rulebook (Remuneration Part). The ratio approved is the maximum allowed under CRD IV.

7. Performance criteria on which the entitlement to variable compensation is based

The Global Incentive Compensation Discretion Policy, noted above at 5b, also provides guidelines to help ensure that annual incentive compensation decisions take relevant factors into consideration, including actual and potential risks to the Company that the employee may be able to control or influence. The policy specifically provides that all compensation managers must consider whether or not an employee managed risk appropriately and effectively managed and supervised the risk control practices of his or her employee reports during the performance year. Compensation managers are required to certify that they have followed the requirements of Company policies and escalated situations potentially requiring attention for possible cancellations or clawback.

In determining the amount of discretionary incentive compensation to award an eligible employee, a compensation manager must consider only those factors that are legitimate, business-related and consistent with the Company's legal and regulatory obligations and policies and practices. These factors include but are not limited to: (1) the employee's absolute and relative performance in an individual and, if relevant, supervisory capacity; (2) the employee's conduct and adherence to the Company's core values and other policies and procedures; (3) performance feedback elicited through the Company's performance evaluation processes, including information provided by control function personnel; (4) any discipline administered to the employee during the performance year; (5) any circumstances during the performance year that may result in clawback of the employee's previously awarded incentive compensation; and (6) market and competitive conditions.

. Pursuant to the Global Incentive Compensation Discretion Policy, in order to be eligible for any annual incentive compensation, the individual also must remain an active employee performing duties on behalf of the Company, who has not given or been given notice of termination at the time the annual incentive compensation is communicated across the Company to the eligible population of employees.

8. Main parameters and rationale for any variable component scheme and any other non-cash benefits

Employees who reach a certain compensation eligibility threshold receive a portion of their variable annual incentive compensation in the form of deferred incentive compensation awards.

The mix of deferred cash and equity-based awards is determined based on a variety of factors, including the number of shares available for grant under the Company's equity plans and, for Code Staff, ensuring compliance with the requirements of the UK Compensation Rules that at least 50% of any variable compensation consists of an appropriate balance of shares or share linked instruments. Delivering a portion of deferred incentive compensation awards in the form of equity links variable compensation to Company performance through the stock price performance.

In 2019, the Company continued to include cancellation provisions that apply to a broad scope of employee behaviour in all deferred incentive compensation awards. Awards granted to members of the Company's Operating Committee are also subject to additional cancellation provisions as highlighted in section 5. In addition, awards of variable annual incentive compensation made to Code Staff are subject to clawback requirements in those jurisdictions where it is legally enforceable, per the Company's EMEA Material Risk Taker Cancellation and Clawback Policy.

The Company believes that its compensation decisions for 2019 demonstrate its focus on long-term profitability and commitment to sustainable shareholder value with appropriate rewards to retain and motivate top talent throughout economic cycles.

For the avoidance of doubt, RBAs are considered fixed compensation, and can be removed if an employee's role changes or in the case of regulatory change.

9. Aggregate quantitative information on compensation, broken down by business area

The following table sets out aggregate quantitative information on compensation of Code Staff who are employed by, or are seconded to, any entities of the MSI Group that were subject to the compensation Code in 2019, including, but not limited to:

- Morgan Stanley & Co. International plc
- Morgan Stanley Bank International Limited
- Morgan Stanley Investment Management Limited
- Morgan Stanley Europe SE Holding Group
- Morgan Stanley France S.A.
- OOO Morgan Stanley Bank
- Morgan Stanley Investment Management (Ireland) Limited[1]

	INSTITUTIONAL SECURITIES GROUP	NON-INSTITUTIONAL SECURITIES GROUP [1]
Aggregate Compensation (GBP millions)	427.6	158.7

[1] Group includes Company functions, Investment Management, Operations and Technology.

10. Aggregate quantitative information on compensation, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the institution, indicating the following:

10a. Amounts of compensation for financial year 2019, split into fixed and variable compensation, and the number of beneficiaries

1 This aggregative quantitative information included in this Disclosure also includes the compensation of four individuals who are not MSI Group Code Staff but who are Material Risk Takers of MSIM (Ireland) Limited on a solo basis.

	MANAGEMENT BODY			OTHERS	
	SENIOR MANAGEMENT	MANAGEMENT FUNCTION	SUPERVISORY FUNCTION	INSTITUTIONAL SECURITIES GROUP	NON-INSTITUTIONAL SECURITIES GROUP
Number of Beneficiaries (Code Staff)	21.0	14.0	7.0	360.0	101.0
Fixed Compensation (GBP millions)	16.9	14.3	1.2	195.0	41.5
Variable Compensation (GBP millions)[1]	16.9	16.9	-	192.3	91.2

[1] Variable Compensation awarded for performance year 2019 contained deferred equity incentives, including restricted stock units, plus deferred cash incentives.

10b. Amounts and forms of variable compensation for 2019, split into cash, shares, share-linked instruments and other types

	MANAGEMENT BODY			OTHERS	
	SENIOR MANAGEMENT	MANAGEMENT FUNCTION	SUPERVISORY FUNCTION	INSTITUTIONAL SECURITIES GROUP	NON-INSTITUTIONAL SECURITIES GROUP
Cash (GBP millions)	3.1	4.1	-	44.6	48.3
Deferred Cash (GBP millions)	5.3	5.0	-	53.6	27.0
Deferred Stock (GBP millions)	8.4	7.9	-	94.0	15.9

10c. Amounts of outstanding deferred compensation, split into vested and unvested portions

	MANAGEMENT BODY			OTHERS	
	SENIOR MANAGEMENT	MANAGEMENT FUNCTION	SUPERVISORY FUNCTION	INSTITUTIONAL SECURITIES GROUP	NON-INSTITUTIONAL SECURITIES GROUP
Vested at Year End 2019[1] (GBP millions)	-	0.0	-	4.9	4.3
Unvested at Year End 2019[2] (GBP millions)	32.0	31.7	-	264.5	100.4

[1] Vested deferred equity and cash-based incentives awarded during and prior to performance year 2019.

[2] Unvested deferred equity and cash-based incentives awarded during and prior to performance year 2019 and unvested at 31 December 2019.

10d. Amounts of deferred compensation awarded during the financial year 2019, paid out, and reduced through performance adjustments

	MANAGEMENT BODY			OTHERS	
	SENIOR MANAGEMENT	MANAGEMENT FUNCTION	SUPERVISORY FUNCTION	INSTITUTIONAL SECURITIES GROUP	NON-INSTITUTIONAL SECURITIES GROUP
Awarded (GBP millions)	13.8	12.8	-	147.6	42.9
Paid Out from Prior Years[1] (GBP millions)	9.8	9.7	0.2	161.6	37.5
Reduced from Prior Years (GBP millions)	0.4	-	-	10.1	0.1

[1] Deferred equity and cash-based incentives paid in 2019.

10e. New sign-on payments[1] made during the financial year 2019, and the number of beneficiaries of those payments

	MANAGEMENT BODY			OTHERS	
	SENIOR MANAGEMENT	MANAGEMENT FUNCTION	SUPERVISORY FUNCTION	INSTITUTIONAL SECURITIES GROUP	NON-INSTITUTIONAL SECURITIES GROUP
Number of beneficiaries	-	-	-	9	2
Total amount (GBP millions)	-	-	-	6.4	0.4

[1] Guaranteed variable awards granted to new hires and limited to their first year of service.

10f. Amounts of severance payments awarded during the financial year 2019, number of beneficiaries and highest such award to a single person

	MANAGEMENT BODY			OTHERS	
	SENIOR MANAGEMENT	MANAGEMENT FUNCTION	SUPERVISORY FUNCTION	INSTITUTIONAL SECURITIES GROUP	NON-INSTITUTIONAL SECURITIES GROUP
Severance payments awarded in 2019 (GBP Millions)	-	-	-	2.1	0.5
Number of beneficiaries	-	-	-	12.0	3.0
Highest such award to a single person (GBP Millions)	-	-	-	0.4	0.4

10g. The number of individuals being remunerated EUR 1 million or more per financial year, broken down into pay bands of EUR 500,000 for compensation between EUR 1 million and EUR 5 million, and EUR 1 million pay bands for compensation between EUR 5 million and EUR 7 million, and aggregated for compensation of EUR 7 million and above

COMPENSATION (EUR millions)	NUMBER OF INDIVIDUALS
Over €1mm and up to €1.5mm	86
Over €1.5mm and up to €2mm	57
Over €2mm and up to €2.5mm	23
Over €2.5mm and up to €3mm	21
Over €3mm and up to €3.5mm	7
Over €3.5mm and up to €4mm	6
Over €4mm and up to €4.5mm	1
Over €4.5mm and up to €5mm	2
Over €5mm and up to €6mm	7
Over €6mm and up to €7mm	3
Over €7mm	7

11. Quantitative information outlined in section 10, at the level of members of the management body

See disclosures in tables above.

This document represents the annual Compensation Disclosure of Morgan Stanley International Limited and its subsidiaries (the MSI Group), as required under the Capital Requirements Regulations (CRR). The annual public Pillar III qualitative and quantitative disclosures are published separately and can be found at http://www.morganstanley.com/about-us-ir/pillar-uk.html.