

Morgan Stanley International Limited Group

Pillar 3 Regulatory Remuneration Disclosures Report

As at 31 December 2022

This Remuneration Disclosure (the “Disclosure”) sets out the principles relating to compensation within Morgan Stanley International Limited (the “Company”) 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 (“Morgan Stanley Group”). The Disclosure has been established in line the Prudential Regulation Authority (“PRA”) Rulebook (Remuneration Part), 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 UK regulators’ transposition of the Capital Requirements Directive (“the UK CRD V”) and Capital Requirements Regulation (“the UK CRR”), and any associated regulations and guidance (together the “UK Remuneration Rules”).

Table of Contents

1. Morgan Stanley Group Compensation Objectives and Strategy	3
2. Compensation Governance	3
3. Identification of Material Risk Takers	4
4. Link between Pay and Performance	4
5. Individual Performance Measurement	5
6. Individual Compensation Determination Process	5
7. Compensation Structure	6
8. Risk Adjustment	8
9. Quantitative Information on Compensation, Broken Down by Senior Management and Employees whose Actions Have a Material Impact on the Risk Profile of the MSI Group.....	10

1. Morgan Stanley Group Compensation Objectives and Strategy

The MSI Group is committed to a responsible and appropriate compensation structure that is designed to align the performance and conduct of employees to the Morgan Stanley Group's strategy and the interests of shareholders. The objectives of the compensation structures are to be motivating, competitive, reflect the current best practices in corporate governance and risk management, and comply with applicable regulations.

The MSI Group's compensation processes are aligned with Morgan Stanley Group's core values: Do the Right Thing, Put Clients First, Lead with Exceptional Ideas, Commit to Diversity and Inclusion, and Give Back. This alignment is a key element considered as part of the performance measurement process.

The global Compensation, Management Development and Succession Committee ("CMDS Committee") of the Morgan Stanley Board of Directors (the "Board") continually evaluates Morgan Stanley Group's compensation programs with a view toward balancing the following key objectives, all of which support Morgan Stanley Group'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 Morgan Stanley Group's stock with retention requirements
 - Ongoing shareholder engagement to understand shareholder views
- **Mitigate Excessive Risk-taking**
 - Compensation arrangements do not incentivise unnecessary or excessive risk-taking that could have a material adverse effect on Morgan Stanley Group
 - Robust governance around review and approval of compensation programs, including from a risk perspective
- **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 Morgan Stanley Group's interests

2. Compensation Governance

The EMEA Remuneration Oversight Committee ("EROC") and the MSI Group Remuneration Committee ("MSI RemCo")

The EROC provides formal oversight of EMEA compensation matters to ensure compensation practices in EMEA are compliant with the UK Remuneration Rules and follow good standards of practice. The EROC is comprised of the EMEA Chief Executive Officer (Chair), the EMEA Head of Human Resources (Deputy Chair), the EMEA Chief Finance Officer (EMEA CFO), the EMEA Chief Legal Officer (EMEA CLO), the EMEA Head of Compliance, and the EMEA Chief Risk Officer (EMEA CRO). The EROC met seven times during 2022 and certified compliance with regulatory requirements to the 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 Remuneration Rules. On December 31, 2022, the MSI RemCo was comprised of five non-executive directors: Jonathan Bloomer (Chair), Terri Duhon, Jane Pearce (joined 1 October 2022), Melanie Richards and Paul Taylor, and met seven times during 2022.

The CMDS Committee

On December 31, 2022, the CMDS Committee was 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 Morgan Stanley Group. The members were Dennis M. Nally (Chair), Thomas H. Glocer, Stephen J. Luczo, and Rayford Wilkins Jr. In 2022, the CMDS Committee held eight meetings. 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) Morgan Stanley Group's 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 Morgan Stanley Group's compensation programs to ensure that they are consistent with and support Morgan Stanley Group's compensation objectives; and (iii) market trends and legislative and regulatory developments affecting compensation in the U.S. and globally.

Role of External Consultants and Other Stakeholders

The MSI Remco and the CMDS Committee have the power to appoint independent compensation consultants, legal counsel, financial or other advisors as it may deem necessary to assist it in the performance of its duties and responsibilities.

Together with the Morgan Stanley Group's Chief Risk Officer ("Global CRO"), the CMDS Committee oversees Morgan Stanley Group's incentive compensation arrangements to help ensure that such arrangements do not encourage excessive risk-taking, and are consistent with applicable regulatory rules and guidance. The Global CRO attends CMDS Committee meetings at least annually, and on an as needed basis, to discuss the risk attributes of Morgan Stanley Group's incentive compensation arrangements. The Global CRO reported to the CMDS Committee his conclusion that Morgan Stanley Group's current compensation programs for 2022 do not incentivise employees to take unnecessary or excessive risk and that such program do not create risks that are reasonably likely to have a material adverse effect on Morgan Stanley Group.

The day-to-day compliance with MSI Group's obligations under the UK Remuneration Rules is delegated to MSI Group's control functions and EMEA Human Resources ("EMEA HR"). EMEA HR regularly reviews MSI Group's regulatory obligations with respect to compensation in each of the EMEA jurisdictions in which it operates, or with branches, and ensures that appropriate variations in policy relating to compensation structures approved by the CMDS Committee are fully compliant with applicable local laws and regulations in the jurisdictions covered by EMEA HR.

3. Identification of Material Risk Takers

The MSI Group has established a formal identification framework to identify employees whose professional activities have a material impact on the MSI Group's risk profile, referred to as MRTs. The MSI Group MRT identification framework complies with the qualitative and quantitative criteria set out in Articles 5 and 6 of Commission Delegated Regulation (EU) No 2021/923. The identification framework is reviewed on an annual basis in line with the UK Remuneration Rules and the outcome of the review is subject to approval of the EROC, and the MSI RemCo.

4. Link between Pay and Performance

In conjunction with Morgan Stanley Group's Global Compensation Policy, the MSI Group Remuneration Policy sets forth certain standards regarding the compensation parameters applied within the MSI Group.

Incentivising Right Behaviours

The following key features of the MSI Group Remuneration Policy ensure that the MSI Group does not incentivise employees to take unnecessary or excessive risk, and provide a link between an employee's compensation and the long-term interests of MSI Group:

- a balance of fixed and variable compensation;
- a balance between short-term and long-term incentives;
- mandatory deferrals into equity-based, if needed for local regulatory or business reasons, incentive programs;
- risk-mitigating features of awards such as cancellation/malus and clawback provisions; and
- governance procedures followed in making compensation decisions.

Delivering all or a portion of deferred incentive compensation in the form of equity links variable compensation to Morgan Stanley Group's performance through Morgan Stanley Group's stock price. Risk outcomes that result in a negative impact to Morgan Stanley Group reduce the value of the equity award, and employees are subject to this decline in value through the deferral period.

Morgan Stanley Group constantly reviews its policies and practices, and is working towards further enhancing the linkage between positive risk behaviours and remuneration outcomes.

Consideration of Capital and Liquidity Resources in the Bonus Pool Determination

Morgan Stanley Group 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.

The final year-end bonus pool determination is subject to a multi-dimensional process that considers Morgan Stanley Group, business unit and individual performance, taking into account financial as well as non-financial performance metrics. The process includes review of adherence to risk limits, conduct and inclusion controls, market and competitive factors and regulatory, business or location specific factors.

Moreover, MSI Group also ensures that the MSI Group's final year-end bonus pool would enable it to maintain a sound capital base, including liquidity and capital resources, and adequate risk bearing capacity, taking into account current and future year distributions.

5. Individual Performance Measurement

All employees have an Employee Performance Dashboard, which is an aggregation of various performance inputs, including non-financial and conduct related information, as applicable, in three areas:

- Performance & Contributions – includes employee performance evaluation forms (i.e., employee goals, feedback, self-evaluation)
- Culture & Leadership – includes employee survey results (if applicable) and self-disclosed employee contributions to culture on the employee self-evaluation
- Compliance, Conduct and Risk Management – includes information resulting from disciplinary incidents and input from control functions

Where appropriate, in addition to the full performance evaluation and 360 review process, performance evaluation managers are required to answer the following question regarding each employee as it relates to compliance, conduct and risk management: "Rate this employee's conduct and adherence to the letter and spirit of Morgan Stanley Group's compliance, risk management, controls and standards, and other policies including the Code of Conduct".

6. Individual Compensation Determination Process

Morgan Stanley Group has a Global Incentive Compensation Discretion Policy that lays out 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 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 MSI Group's legal and regulatory obligations and policies and practices. With this discretion, comes the responsibility to make pay decisions consistent with Morgan Stanley Group's equal pay philosophy, which means that compensation managers are accountable for making deliberate, thoughtful, and defensible compensation decisions considering only legitimate, business-related factors. These factors include but are not limited to:

- The employee's absolute and relative performance in an individual and, if relevant, supervisory capacity;
- The employee's conduct and adherence to Morgan Stanley Group's core values, including "Commit to Diversity and Inclusion", ensures focus on diversity and inclusion when making compensation decisions;
- Performance feedback elicited through Morgan Stanley Group's performance evaluation processes, including information provided by control function personnel;
- Any disciplinary outcomes administered to the employee during the performance year;
- Any circumstances during the performance year that may result in the cancellation and/or clawback of the employee's previously awarded incentive compensation; and
- Market and competitive conditions.

The allocation of variable compensation to employees is a discretionary process and informed by the performance evaluation process outlined above. Morgan Stanley Group's 'pay for performance' philosophy means that where a variable compensation award is not appropriate, none is paid; every year a portion of the eligible employee population receive no 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.

Control Functions

In order to ensure the independence of control function employees, individual compensation decisions for employees working in those functions are determined by control function management and are not influenced by employees working in revenue-producing roles. In addition, benchmarking data is utilised to consider whether pay levels for key control function employees are commensurate with the market, and that MSI can attract and retain experienced personnel. The compensation decisions of all control function heads are reviewed and approved by the MSI RemCo.

Pay Equity

Morgan Stanley Group's compensation program, and its related policies and practices, reflect and promote the objective of ensuring all employees, including women and ethnically diverse employees, are rewarded equitably. A system of checks and balances is in place within Morgan Stanley Group's processes to ensure fair and equitable pay, including regular in-depth analysis of employee compensation in consultation with external experts. Morgan Stanley Group's 2022 global review of pay equity did not identify any areas of concerns within the MSI group.

7. Compensation Structure

Morgan Stanley Group's compensation philosophy is based on the concept of annualised total reward (or total compensation) and accordingly 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"), which is determined based on individual's roles and responsibilities and is paid monthly in cash via the payroll; and
- Variable compensation that is based on a number of factors, including but not limited to MSI Group, 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 structure of annual incentive compensation for MRTs complies with the UK Remuneration Rules and may be comprised of upfront cash, stock bonus, and a mix of equity and, if needed for local legal or business reasons, deferred cash-based awards. The following structure applies to relevant MRTs:

- A minimum of 40% to 60% of variable compensation is deferred as follows:
 - PRA Senior Managers have a seven-year deferral vesting on a pro-rata basis starting three years after grant
 - FCA Senior Managers have a five-year deferral vesting on a pro rata basis starting a year after grant
 - Other MRTs have a four or five-year deferral vesting on a pro-rata basis starting a year after grant
- Deferred annual incentive compensation is generally awarded in equity.¹
- Non-deferred annual incentive compensation is awarded 50% in upfront cash and 50% as stock bonus award;
 - Stock bonus awards vest and convert to shares after six months and are available to sell 12 months after grant
- Deferred equity awards are subject to sales restrictions for a period of six- or 12-month post-vesting
- Subject to local law, variable annual incentive compensation is subject to cancellation and or clawback for a period of up to seven years from the date on which it is awarded. In the case of a PRA Senior Manager subject to an ongoing investigation, clawback can be extended to a period of up to ten years

In accordance with UK Remuneration Rules, MRTs whose variable compensation is no more than (i) 33% of their total compensation, and (ii) £44,000 (or the local currency equivalent), are not subject to the full scope of UK Remuneration Rules. However, such MRTs continue to be subject to MSI Group deferral practices for the general employee population and remain subject to cancellation and clawback terms applicable to MRTs.

MSI Group expects deferred compensation for MRTs to constitute a significant component of variable compensation, as it is designed to promote Morgan Stanley Group's long-term interests.

In addition, members of Morgan Stanley Group's Operating Committee are subject to an Equity Ownership Commitment, pursuant to which they 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 as a member of the Operating Committee.

Guaranteed variable compensation is only paid in exceptional circumstances, in the context of hiring new employees, and is limited to the first year of service. Such awards would only be made if the relevant legal entity has a sound and strong capital base. Awards of guaranteed variable compensation are subject to an approval process, which includes receiving approval from the appropriate Senior Manager, the EMEA Head of Compensation, the EMEA Head of HR and in certain circumstances the Morgan Stanley Group's Chief Human Resources Officer ("Global CHRO").

Termination payments made to certain employees upon leaving the MSI Group are considered in accordance with the MSI Group's severance framework and are, compliant with the relevant UK Remuneration Rules, intended to avoid rewarding negative performance contributions or misconduct.

Ratio between Fixed and Variable Compensation

MSI Group's policy on the ratio between fixed and variable compensation is to allow for flexibility, whilst recognising the need to ensure that compensation is appropriately balanced between the fixed and variable compensation elements. Morgan Stanley International Holdings Inc., as the sole shareholder of MSI, approved a ratio of 1:2 of fixed compensation to variable compensation for MRTs with effect from 17 December 2013.

Deferred Compensation

¹ For entities where it is not legally permissible to grant deferred equity-based awards, deferred cash awards are provided under the Morgan Stanley Compensation Incentive Plan ("MSCIP") and/or the Morgan Stanley Investment Management Alignment Plan ("IMAP").

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

Each year, the CMDS Committee reviews the annual incentive compensation pool and the design and structure of the annual compensation program, including eligibility, the form of deferred incentive awards, deferral formulae, vesting and timing of payments and cancellation and clawback provisions.

The form of deferred incentive compensation awards (i.e., equity, cash, or a combination thereof) is determined based on a variety of factors, including the number of shares available for grant under Morgan Stanley Group's equity plans and, for MRTs, ensuring compliance with the requirements of the UK Remuneration Rules.

Delivering all or a portion of deferred incentive compensation in the form of equity links variable compensation to Morgan Stanley Groups' performance through Morgan Stanley Group's stock price performance and aligns employee compensation with shareholder interests. Risk outcomes that result in a negative impact to Morgan Stanley Group reduce the value of the equity, and the employee is subject to this decline in value through the deferral period. In addition, there is a formal governance process to consider and determine ex-ante and ex-post adjustments to variable compensation. Morgan Stanley Group believes that its compensation decisions for 2022 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.

8. Risk Adjustment

MSI Group continually monitors the effectiveness of its compensation structure and utilises 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 Morgan Stanley Group'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. All variable compensation for MRTs has provisions that allow for clawback of any awards or compensation paid or delivered. Cancellations and clawbacks of previously awarded compensation are reviewed with the Employee Discipline Oversight Committee (a committee of senior management currently composed of Morgan Stanley Group's Chief Financial Officer, Chief Legal Officer, Global CRO, Global CHRO, Chief Audit Officer, and the Head of Non-Financial Risk) and reported to the CMDS Committee quarterly. This process is enhanced by a formalised EMEA malus review process overseen by the EROC. This process involves EROC assessing situations which may warrant adjustment to current year variable compensation and/or to apply cancellation and/or clawback to previously awarded compensation, with reference to specific criteria that are contained in governing incentive compensation award documents and applicable policies. The MSI RemCo receive regular updates on the EMEA malus review process.

In addition to the above governance processes, conduct driven adjustments to current year variable compensation proposed by managers as part of the compensation decision-making process are reviewed by an EMEA panel composed of senior representatives from the Legal, Risk, Audit, Compliance, and HR functions. This ensures that both the business and the relevant independent functions are included in the review, and that compensation adjustments are made consistently across the MSI Group. Compensation adjustments are also reviewed globally, to ensure consistent application.

In 2020, the EMEA Conduct and Culture Committee was set-up to monitor culture and conduct risk trends and to determine appropriate culture and conduct remediation actions (such as targeted culture training). This committee is co-chaired by the EMEA CEO and the EMEA Head of Compliance, and members include the EMEA Business Units Heads from the Fixed Income, Institutional Equities, Investment Banking and Global Capital Markets divisions, the EMEA CRO, the EMEA CFO, EMEA Head of HR and EMEA Head of Internal Audit.

Furthermore, the MSI Group maintains an EMEA-wide Cancellation and Clawback Policy which is applicable to all MRTs within the EMEA region. Circumstances which trigger the application of this policy for the MSI Group employees include but are not limited to:

- There is reasonable evidence of serious misconduct;
- Morgan Stanley Group and/or the relevant regulated entity and/or relevant business unit in which an MRT is employed (or in relation to which they carry out some or all their duties) suffers a material failure of risk management;
- Morgan Stanley Group and/or the relevant regulated entity and/or relevant business unit suffers a material downturn in its financial performance (subject to cancellation only);
- The MRT directly and/or materially, through their conduct, contributed to a regulatory sanction (or sanctions) being imposed;
- The MRT failed to meet appropriate standards of fitness and propriety; or
- In relation to a PRA Buyout Award, the Company has received a Reduction Notice, in accordance with Rule 15A of the Remuneration Part of the PRA Rulebook

MSI Group will also take into consideration an MRT's proximity to the failure of risk management in question and that individual MRT's level of responsibility. Any cash bonus is subject to repayment, recovery and recapture pursuant to MSI Group'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.

9. Quantitative Information on Compensation, Broken Down by Senior Management and Employees whose Actions Have a Material Impact on the Risk Profile of the MSI Group

The following table sets out aggregate quantitative information on the compensation of MRTs (520 by natural headcount for 2022) who are employed by, or are seconded to, any entities of the MSI Group that were subject to the UK Remuneration Rules in 2022, including, but not limited to:

- Morgan Stanley & Co. International plc
- Morgan Stanley Bank International Limited
- Morgan Stanley Europe SE Holding Group
- Morgan Stanley France S.A.

UK REM1: Remuneration awarded for the financial year

(All values in GBP)		Row reference	MB Supervisory Function a	MB Management Function b	Other Senior Management c	Other Identified Staff d
Fixed remuneration	Number of identified staff*	1	8	11	14	486
	Total fixed remuneration	2	1,181,168	15,964,630	14,974,233	272,668,622
	Of which: cash-based (Not applicable in the EU)	3	1,181,168	15,964,630	14,974,233	272,668,622
	Of which: shares or equivalent ownership interests (Not applicable in the EU)	4				
	Of which: share-linked instruments or equivalent non-cash instruments	UK-4a	-	-	-	-
	Of which: other instruments (Not applicable in the EU)	UK-5x	-	-	-	-
	Of which: other forms (Not applicable in the EU)	6	-	-	-	-
	Of which: other forms (Not applicable in the EU)	7	-	-	-	-
Variable remuneration	Number of identified staff*	9	-	10	14	413
	Total variable remuneration	10	-	16,185,088	14,973,235	249,016,294
	Of which: cash-based	11	-	3,237,018	3,152,998	57,343,516
	Of which: deferred	12	-	-	-	-
	Of which: shares or equivalent ownership interests	UK-13a	-	12,948,070	11,820,237	191,672,777
	Of which: deferred	UK-14a	-	9,711,053	8,667,239	136,666,899
	Of which: share-linked instruments or equivalent non-cash instruments	UK-13b	-	-	-	-
	Of which: deferred	UK-14b	-	-	-	-
	Of which: other instruments	UK-14x	-	-	-	-
	Of which: deferred	UK-14y	-	-	-	-
Of which: other forms	15	-	-	-	-	
Of which: deferred	16	-	-	-	-	
Total remuneration		17	1,181,168	32,149,718	29,947,467	521,684,916

*Number of identified staff beneficiaries by full-time employment according to PRA guidelines

UK REM2: Special payments to staff whose professional activities have a material impact on institutions' risk profile

(All values in GBP)	Row reference	MB Supervisory Function a	MB Management Function b	Other Senior Management c	Other Identified Staff d
Guaranteed variable remuneration awards					
Guaranteed variable remuneration awards - Number of identified staff*	1	-	-	-	9
Guaranteed variable remuneration awards -Total amount	2	-	-	-	10,572,515
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	3	-	-	-	5,213,366
Severance payments awarded in previous periods, that have been paid out during the financial year					
Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff*	4	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	5	-	-	-	-
Severance payments awarded during the financial year					
Severance payments awarded during the financial year - Number of identified staff*	6	-	-	-	12
Severance payments awarded during the financial year - Total amount	7	-	-	-	1,668,227
Of which paid during the financial year	8	-	-	-	-
Of which deferred	9	-	-	-	-
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	10	-	-	-	-
Of which highest payment that has been awarded to a single person	11	-	-	-	478,727

*Number of identified staff beneficiaries by full-time employment according to PRA guidelines

UK REM3 –Deferred remuneration

Deferred and retained remuneration (All values in GBP)	Row reference	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years ^a	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
		a	b	c	d	e	f	EU - g	EU - h
MB Supervisory function*	1	-	-	-	-	-	-	-	-
Cash-based	2	-	-	-	-	-	-	-	-
Shares or equivalent ownership interests	3	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	4	-	-	-	-	-	-	-	-
Other instruments	5	-	-	-	-	-	-	-	-
Other forms	6	-	-	-	-	-	-	-	-
MB Management function	7	77,514,877	19,078,169	58,436,707	-	-	-3,280,653	19,078,169	8,861,470
Cash-based	8	11,068,277	3,684,259	7,384,017	-	-	-	3,684,259	-
Shares or equivalent ownership interests	9	66,446,600	15,393,910	51,052,690	-	-	-3,280,653	15,393,910	8,861,470
Share-linked instruments or equivalent non-cash instruments	10	-	-	-	-	-	-	-	-
Other instruments	11	-	-	-	-	-	-	-	-
Other forms	12	-	-	-	-	-	-	-	-
Other senior management	13	75,081,483	16,985,473	58,096,010	-	-	-3,034,064	16,985,473	11,337,216
Cash-based	14	13,629,318	3,265,091	10,364,227	-	-	-	3,265,091	-
Shares or equivalent ownership interests	15	61,452,165	13,720,382	47,731,783	-	-	-3,034,064	13,720,382	11,337,216
Share-linked instruments or equivalent non-cash instruments	16	-	-	-	-	-	-	-	-
Other instruments	17	-	-	-	-	-	-	-	-
Other forms	18	-	-	-	-	-	-	-	-
Other identified staff	19	850,281,669	310,021,624	540,260,045	-	-	-36,432,387	295,613,639	179,111,716
Cash-based	20	112,377,381	48,260,734	64,116,647	-	-	-	48,260,734	-
Shares or equivalent ownership interests	21	737,904,288	261,760,890	476,143,398	-	-	-36,432,387	247,352,905	179,111,716
Share-linked instruments or equivalent non-cash instruments	22	-	-	-	-	-	-	-	-
Other instruments	23	-	-	-	-	-	-	-	-
Other forms	24	-	-	-	-	-	-	-	-
Total amount	25	1,002,878,029	346,085,266	656,792,763	-	-	-42,747,104	331,677,281	199,310,402

*MB Supervisory function is not entitled to variable compensation and does not have values to be reported under UK REM3

UK REM4 – Remuneration of 1 million EUR or more per year

			Identified staff that are high earners as set out in Article 450(i) CRR
(All values in EUR)	Row reference	a	
1 000 000 to below 1 500 000	1	96	
1 500 000 to below 2 000 000	2	56	
2 000 000 to below 2 500 000	3	27	
2 500 000 to below 3 000 000	4	16	
3 000 000 to below 3 500 000	5	7	
3 500 000 to below 4 000 000	6	6	
4 000 000 to below 4 500 000	7	3	
4 500 000 to below 5 000 000	8	2	
5 000 000 to below 6 000 000	9	2	
6 000 000 to below 7 000 000	10	5	
7 000 000 and above	11	8	

UK REM5 – Information of staff whose professional activities have a material impact on institutions' risk profile

(All values in GBP)	Row reference	Management body remuneration			Business areas						Total
		MB Supervisory function	MB Management function	Total MB	Investment Banking	Retail Banking	Asset Management	Corporate Functions	Independent Control Functions	All Other	
		a	b	c	d	e	f	g	h	i	
Total number of identified staff*	1										519
Of which: members of the MB	2	8	11	19							
Of which: other senior management	3				5	-	1	4	4	-	
Of which: other identified staff	4				413	-	11	23	39	-	
Total remuneration of identified staff	5	1,181,168	32,149,718	33,330,886	473,494,660	-	19,058,683	37,134,357	21,944,682	-	
Of which: variable remuneration	6	-	16,185,088	16,185,088	226,854,336	-	11,009,771	17,746,038	8,379,384	-	
Of which: fixed remuneration	7	1,181,168	15,964,630	17,145,798	246,640,324	-	8,048,913	19,388,319	13,565,298	-	

*Number of identified staff beneficiaries by full-time employment according to PRA guidelines

This document represents the annual Compensation Disclosure of the MSI Group, as required under the 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>.