

Morgan Stanley Board of Directors Corporate Governance Policies

*Adopted October 20, 1995
(As Amended October 25, 2018)*

The Board of Directors (the “Board”) of Morgan Stanley (“Morgan Stanley” or “the Company”) has adopted these Corporate Governance Policies to promote the effective functioning of the Board and its committees.

BOARD COMPOSITION AND LEADERSHIP STRUCTURE

1. Board Membership Criteria

The Board seeks members who combine a broad spectrum of experience and expertise with a reputation for integrity. Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated and be selected based upon contributions they can make to the Board and management. Directors should also have the ability to represent the interests of shareholders and possess a willingness to appropriately challenge management in a constructive manner. The Board will also take into account diversity of a candidate’s perspectives, background and other demographics.

2. Optimum Board Size

The Board believes its optimum size is 10 to 15 members.

3. Director Independence

The Board will have a majority of independent directors. The Board’s Director Independence Standards are set forth in Appendix A.

4. Board Leadership Structure

The Board regularly reviews its leadership structure. The Board believes that the Company and its shareholders are best served by maintaining the flexibility to have any director serve as Chairman of the Board (“Chairman”) based on what is in the best interests of the Company at a given point in time, taking into consideration, among other things, the composition of the Board, the role of the Company’s Independent Lead Director, the Company’s corporate governance practices, the Chief Executive Officer’s (“CEO”) working relationship with the Board, and challenges specific to the Company.

5. Independent Lead Director

The Board believes that it is in the best interests of the Company for the independent directors to appoint an independent director to serve as the Independent Lead Director. It is expected that the Independent Lead Director will serve approximately 3-5 years in order to facilitate the rotation of the Independent Lead Director position while maintaining experienced leadership. In considering the appropriate tenure of an Independent Lead Director, the Board should evaluate all facts and circumstances and may extend such tenure in accordance with good governance practices, including (without limitation) to accommodate the transition of a new CEO or new directors or to provide continuity to further strategic objectives or address external factors affecting the Company.

As part of his or her formal duties and responsibilities, the Independent Lead Director shall:

- Preside at all meetings of the Board at which the Chairman is not present;
- Have the authority to call, and lead, Non-Management Director Sessions and Independent Director Sessions (each as defined herein);
- Help facilitate communication among the Chairman, the CEO and the non-management and independent directors, including serving as liaison between the Chairman and the independent directors;
- Communicate with the Chairman and the CEO between meetings and act as a “sounding board” and advisor;
- Advise the Chairman and the CEO of the Board’s informational needs;
- Approve the types and forms of information sent to the Board;
- Solicit the non-management directors for advice on agenda items for meetings of the Board and executive sessions to help facilitate Board focus on key issues and topics of interest to the Board;
- Collaborate with the Chairman and the CEO in developing the agenda for meetings of the Board;
- Approve Board meeting agendas and the schedule of Board meetings to assure that there is sufficient time for discussion of all agenda items;
- Have authority to request inclusion of additional agenda items;
- Help facilitate the efficient and effective functioning and performance of the Board;
- Help facilitate discussion and open dialogue among non-management directors during Board meetings, executive sessions and outside of Board meetings;
- Communicate with the Chairman and the CEO and other members of management, as appropriate, about decisions reached, suggestions and views expressed by non-management directors in executive sessions or outside of Board meetings;
- Lead the annual evaluation of the performance and effectiveness of the Board, including consultation with each non-management director regarding Board performance and effectiveness and, as necessary,

individual director performance;

- Be available, if requested, to meet with the Company's primary regulators;
- Be available, if requested by major shareholders, for consultation and direct communication in accordance with the Board Communication Policy set forth herein;
- Consult with the Chair of the Nominating and Governance Committee on Board succession planning and Board Committee appointments;
- Coordinate with the Chair of the Nominating and Governance Committee on recruiting and interviewing candidates for the Board; and
- Consult with the Chair of the Compensation, Management Development and Succession Committee on the annual evaluation of the performance of the CEO.

6. Selection of New Directors

The Nominating and Governance Committee recommends director candidates consistent with the Board membership criteria to the Board. The Chairman or the Nominating and Governance Committee chair extends invitations to join the Board to new directors.

7. Majority Voting

The Company's Bylaws provide for a majority vote standard for the election of directors in an uncontested election. The Board expects that an incumbent director who fails to receive a majority of the votes cast in an election that is not a Contested Election (as defined in the Company's Bylaws) and who tenders his or her resignation pursuant to the Company's Bylaws shall not participate in any proceedings by the Board or any committee thereof regarding whether to accept or reject such director's resignation, or whether to take other action with respect to such director.

CONTINUATION AS A DIRECTOR

8. Term Limits

The Board does not favor term limits for directors, but believes that it is important to monitor individual director performance. The Board also believes that it is important to have both shorter and longer-tenured directors with the goal of maintaining an appropriate balance of new perspectives and longer-term expertise and continuity.

9. Retirement Policy

The Board believes that a director candidate should not be nominated for election if the candidate would be 72 at the time of election.

10. Board Resignation Policy for Directors

The Board expects the Chairman and the CEO to resign from the Board upon retirement. There may be circumstances where the Board's policy to accept the resignation would not apply, including to accommodate the transition for a new Chairman or new CEO.

The Board expects that officers of the Company other than the Chairman and the CEO who are also directors to resign immediately from the Board when they retire or leave active Company employment and to consult the Board if they change positions within the Company.

The Board expects that each director will provide notice of intent to resign or resignation to the Chairman and the Corporate Secretary.

11. Change in Director's Personal Circumstances

A director whose principal occupation or employer changes shall advise the Chairman and the Corporate Secretary and offer to tender his or her resignation to the Board. The Chairman should refer the matter to the Nominating and Governance Committee for review with the Chairman's recommendation. The Nominating and Governance Committee should evaluate the facts and circumstances and recommend to the Board whether to seek and accept the director's resignation.

12. Service on Other Boards and Audit Committees

A director who plans to join the board of directors or similar governing body of another public or private company or an advisory board, who plans to join the audit committee of another public company, who plans to accept a significant committee or other board assignment (such as lead or presiding director or executive chair) on another public company board, or who experiences other changed circumstances that could diminish his or her effectiveness as a Board member or otherwise be detrimental to the Company should advise the Chairman and the Corporate Secretary before accepting such position, who shall coordinate with the Nominating and Governance Committee Chair for further review, as deemed appropriate.

Directors shall not serve on the board of more than five public companies, including the Company; however, directors that serve as the active CEO of another public company shall not serve on the board of more than three public companies, including the Company.

An Audit Committee member shall not serve simultaneously on the audit committee of more than three public companies, including the Company.

13. Consulting Agreements with Directors

The Board believes that the Company should not enter into paid consulting arrangements with non-management directors.

BOARD OPERATIONS

14. Duties and Obligations of Directors

Directors are expected to exercise their business judgment to act in good faith, on an informed basis and in what they reasonably believe to be the best interests of the Company and its shareholders. The Board expects directors to devote the time and effort necessary to properly fulfill the obligations of a director, taking into account memberships on other boards and other responsibilities. The proceedings and deliberations of the Board and its committees are confidential. The Board expects directors will maintain the confidentiality of such proceedings and deliberations and any information received in connection with service as a director of the Company.

15. Board Committees

The Board appoints the (i) Audit, (ii) Compensation, Management Development and Succession, (iii) Nominating and Governance, (iv) Operations and Technology and (v) Risk Committees. Each of these committees shall have its own written charter setting forth, among other things, its purpose and responsibilities.

Each committee shall report regularly to the Board on key matters reviewed and approved by the committee, provided that such reporting is not required if all directors were present at the committee meeting or a director who was not present at such meeting is briefed separately.

The Board also may establish and maintain additional committees to facilitate discharging its responsibilities.

The Chairman should regularly consult with committee chairs to obtain their insights and to optimize committee performance.

16. Rotation of Committee Assignments

The Board generally favors the periodic rotation of committee assignments and committee chair positions, but also recognizes that at times it may not be in the best interest of the Company to change a committee assignment or chair position, such as when a director has special knowledge or experience. It is expected that committee chairs will serve approximately 3-5 years on average in order to facilitate rotation of committee chairs while preserving experienced leadership.

17. Development of Agendas and Meeting Schedules

The Chairman, in consultation with directors, should establish the agendas and schedules for Board meetings. The Independent Lead Director shall approve Board meeting agendas and the schedule of Board meetings and may request inclusion of additional agenda items.

The committee chairs, in consultation with the Chairman, should establish the committee agendas and schedules for committee meetings. Each standing committee should meet as provided for in its respective charter during the year and, as necessary, receive reports from Company personnel on developments affecting the committee's work. Committee meetings shall include any participants the committee deems appropriate and shall be of sufficient duration and scheduled at such times as the committee deems appropriate to discharge properly its responsibilities.

18. Distribution of Materials for Board and Committee Meetings

The Board believes it is critical for directors to have materials on topics to be discussed sufficiently in advance of the meeting date and for directors to be kept abreast of developments between Board and committee meetings. The Company regularly informs directors of Company and competitive developments and currently distributes, approximately a week in advance, written materials for use at regularly scheduled Board and committee meetings. Meeting materials and minutes for each committee meeting are available to all directors.

19. Attendance of Directors at Board and Committee Meetings

The Board expects directors will attend the meetings of the Board and the committees on which they serve and to review in advance materials distributed before the meeting. All directors, whether or not members of a committee, are permitted to attend committee meetings at the discretion of the committee Chair.

20. Attendance of Directors at the Annual Meeting of Shareholders

The Board expects that directors will attend the annual meeting of shareholders.

21. Board Access to Non-Directors

Directors have complete and open access to senior members of management and other employees of the Company.

The Board believes that attendance of key executive officers augments the meeting process. The Company's Chief Risk Officer, Chief Financial Officer and Chief Legal Officer regularly attend all scheduled Board meetings, at the invitation of the Board, and respond to questions posed by directors relating to their areas of expertise. The CEO also invites key employees to attend Board sessions at which the CEO believes they can meaningfully contribute to Board discussion. Such persons do not attend Executive Sessions, Non-Management Director Sessions or Independent Director Sessions (each as defined herein), either of the Board or any committee thereof, unless requested.

The Board also believes that the heads of the Company's operating units and other officers can assist the Board with its deliberations and provide critical insights and analysis, including when the Board receives presentations on the business plan for the upcoming year. Attendance of such officers allows the most knowledgeable and accountable executives to communicate directly with the Board. It also provides the Board direct access to individuals critical to the Company's succession planning.

22. Executive Sessions of Directors

"Executive Sessions" are sessions of the Board that only include directors. "Non-Management Director Sessions" are sessions of the Board that include only non-management directors. "Independent Director Sessions" are sessions that include only independent directors.

Non-management directors shall meet in Non-Management Director Sessions on a regular basis and may meet in Executive Sessions at the discretion of the non-management directors. If any non-management directors are not independent, then the independent directors shall schedule an Independent Director Session at least once per year. The Independent Lead Director has the authority to call, and shall lead, Non-Management Director Sessions and Independent Director Sessions.

23. Director Access to Independent Advisors

The Board, the Independent Lead Director and its committees shall have the right at any time to retain independent financial, legal or other advisors and the Company shall provide appropriate funding.

24. Director Orientation and Continuing Education for Directors

The Company provides an orientation program for new directors, which includes an overview of director duties and the Company's corporate governance policies as well as presentations by senior management on the Company's strategy and regulatory framework, its primary business lines and control framework. The Nominating and Governance Committee oversees the orientation program for new directors.

The Company reimburses directors for reasonable costs incurred attending educational sessions on subjects that would assist them in discharging their duties.

25. Board Compensation

The Nominating and Governance Committee recommends director compensation and benefits to the Board. In discharging this duty, the Nominating and Governance Committee shall be guided by three goals: compensation should fairly pay directors for work required in a company of the Company's size and scope; compensation should align directors' interests with the long-term interests of shareholders; and the structure of

the compensation should be easy for shareholders to understand. The Board believes that total compensation should include a significant equity component because it believes that this more closely aligns the long-term interests of directors with those of shareholders and provides a continuing incentive for directors to foster the Company's success.

BOARD FUNCTIONS

26. Risk Oversight

The Board has oversight for the Company's global risk management framework and is responsible for helping to ensure that the Company's risks, including reputational risks, are managed in a sound manner. The Board regularly reviews the Company's risks and the responsibilities of management and the Board committees to assist the Board in its risk oversight.

27. Strategy and Business Plans

The Board oversees the Company's strategy and annual business plans, and risks related thereto, and regularly reviews with management the Company's financial performance, strategy and business plans.

28. Culture, Values and Conduct

The Board oversees the Company's practices and procedures relating to culture, values and conduct, and risks related thereto, and receives reports on the Company's culture, values and conduct.

29. Management Development and Succession Planning

The Compensation, Management Development and Succession Committee oversees plans for management development and succession.

The Company's senior executives serving on the Operating Committee complete a succession plan for their areas of responsibility that is reviewed with the CEO. The CEO provides input on each succession plan and discusses the plans with the Compensation, Management Development and Succession Committee. The CEO reviews with the Compensation, Management Development and Succession Committee succession planning for his successor at least annually. The Compensation, Management Development and Succession Committee periodically reviews with the Board succession plans for the CEO and senior executives as determined by the Compensation, Management Development and Succession Committee. Succession planning includes policies and principles for CEO selection and performance review, as well as policies regarding succession in the event of an emergency or the retirement of the CEO.

30. Formal Evaluations of the Chief Executive Officer

The Board establishes subjective and objective performance criteria at the beginning of each year for use in formal evaluations of the CEO. The Compensation, Management Development and Succession Committee conducts the evaluation of the CEO in the context of its review of the Company's performance in meeting its priorities for purposes of awarding compensation. The Compensation, Management Development and Succession Committee chair reports to the Board on the evaluation in a Non-Management Director Session.

31. Evaluation of Board, Independent Lead Director and Committee Performance

The Nominating and Governance Committee oversees and approves the process and guidelines for the annual evaluation of the performance and effectiveness of the Board, the Independent Lead Director and each of the (i) Audit, (ii) Compensation, Management Development and Succession, (iii) Nominating and Governance, (iv)

Operations and Technology, and (v) Risk Committees, including self-evaluations by each of these committees and the Board.

The evaluation process may include Board member interviews, written guidelines or such other means as the Nominating and Governance Committee determines appropriate and may encompass such factors as duties and responsibilities, Board and committee structure, culture, process and execution or such other factors as determined appropriate.

The Nominating and Governance Committee will ensure that results of such evaluations, including any suggestions to enhance the performance and effectiveness of the Independent Lead Director, the Board and its committees, are communicated to and discussed with the full Board, the Independent Lead Director and each committee, as appropriate.

SHAREHOLDER COMMUNICATIONS

32. Communications with the Board

The Board believes that under ordinary circumstances, management speaks for the Company and the Chairman speaks for the Board. Directors may, from time to time, meet with or communicate with various constituencies that are involved with the Company. It is expected that directors would do this with the knowledge of management and, in most instances, at the request of management.

Shareholders and other interested parties may contact the Board, the non-management or independent directors, an individual director (including the Independent Lead Director or Chairman) or a committee of the Board, by writing to them at Morgan Stanley, Suite D, 1585 Broadway, New York, New York 10036. Under the procedures approved by the independent directors, communications are distributed by the Corporate Secretary to the appropriate director or directors, except for communications that the independent directors have determined shall be excluded, including, but not limited to, solicitations, advertisements, "junk" mail and mass mailings. Proposals submitted by shareholders are not covered under this policy.

33. Director Candidates Recommended by Shareholders

Morgan Stanley shareholders who wish to recommend a director candidate for the Nominating and Governance Committee's consideration must submit the recommendation in writing to the committee at the address noted in "Shareholder Communications" above. The recommendation must demonstrate that it is being submitted by a current Morgan Stanley shareholder and must include information about the candidate, including name, age, business address, principal occupation, principal qualifications and other relevant biographical information. Shareholders also must provide confirmation of the candidate's consent to serve as a director. Shareholders may make recommendations at any time, but recommendations for the consideration of nominees at the annual meeting of shareholders must be received not less than 120 days before the first anniversary of the date that Morgan Stanley's proxy statement was released to shareholders in conjunction with the previous year's annual meeting.

DIRECTOR STOCK OWNERSHIP

34. Director Equity Ownership and Retention Requirements

Directors receiving compensation for Board service shall hold an equity interest in the Company within sixty days after their election to the Board. Unless they have waived compensation for Board service, when non-management directors are first elected to the Board, and when they are reelected, they receive an equity award of stock units, 50% payable in shares of Morgan Stanley Common Stock after the director's retirement from the Board, and 50% payable in shares of Morgan Stanley Common Stock on the anniversary of grant.

Non-management directors are also able to defer Board compensation (including cash retainers) pursuant to a plan in which they may elect to receive stock units. In addition, each non-management director who receives compensation for Board service is required to retain ownership of a number of shares of Morgan Stanley Common Stock and/or Morgan Stanley stock unit awards with a value equal to five times the annual cash Board retainer during his or her tenure on the Board, and is required to retain 100% of his or her Morgan Stanley stock unit awards (on an after-tax basis) until such ownership requirement is met. These equity ownership opportunities and requirements help align non-management directors' interests with shareholders' interests.

35. Prohibition Against Hedging and Pledging

Directors may not enter into hedging transactions in respect of Morgan Stanley common stock or pledge Morgan Stanley common stock in connection with a margin or other loan transaction.

36. IPO Allocations

A director and any person (i) sharing a household with such director or (ii) for whom such director provides more than 25 percent of such person's income shall not be eligible to receive allocations of initial public offerings from a broker dealer if the Company is currently providing (or in the past 12 months has provided) underwriting compensation to such broker dealer except as permitted by applicable law and regulations.

37. Repricing of Stock Options; "Reload" Options

The Board opposes repricing of incentive based options by an exercise price. The Board favors equitable adjustment of an option's exercise price in connection with a reclassification of the Company's stock; a change in the Company's capitalization; a stock split; a restructuring, merger, or combination of the Company; or other similar events in connection with which it is customary to adjust the exercise price of an option and/or the number and kind of shares subject thereto. The Board opposes the future grant of a stock option "reload" feature pursuant to which, upon tendering of shares of common stock to pay the exercise price of an underlying option, or having shares of common stock withheld to pay taxes due upon the exercise of an option, the optionee receives a new option to acquire the number of shares of common stock tendered or withheld.

CUMULATIVE VOTING

38. Cumulative Voting

The Board strongly supports the "one share/one vote" concept and opposes cumulative voting. It opposes the ability of a single investor or group of investors to band together to achieve a goal, such as the election of a director, which is not supported by a majority of the Company's shareholders.

Appendix A

Definition of "Independent" Directors

The Board has established the following guidelines to assist it in determining whether or not directors qualify as "independent" pursuant to the guidelines and requirements set forth in the New York Stock Exchange's Corporate Governance Rules. In each case, the Board will broadly consider all relevant facts and circumstances and shall apply the following standards (in accordance with the guidance, and subject to the exceptions, provided by the New York Stock Exchange in its Commentary to its Corporate Governance Rules):

1. Employment and commercial relationships affecting independence.

A. Current Relationships. A director will not be independent if: (i) the director is a current partner or current employee of Morgan Stanley's internal or external auditor; (ii) an immediate family member of the director is a current partner of Morgan Stanley's internal or external auditor; (iii) an immediate family member of the director (a) is a current employee of Morgan Stanley's internal or external auditor and (b) personally works on Morgan Stanley's audit; (iv) the director is a current employee, or an immediate family member of the director is a current executive officer, of an entity that has made payments to, or received payments from, Morgan Stanley for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues; or (v) the director's spouse, parent, sibling or child is currently employed by Morgan Stanley.

B. Relationships within Preceding Three Years. A director will not be independent if, within the preceding three years: (i) the director is or was an employee of Morgan Stanley; (ii) an immediate family member of the director is or was an executive officer of Morgan Stanley; (iii) the director or an immediate family member of the director was (a) a partner or employee of Morgan Stanley's internal or external auditor and (b) personally worked on Morgan Stanley's audit within that time; (iv) the director or an immediate family member of the director received more than \$120,000 in direct compensation in any twelve-month period from Morgan Stanley, other than (a) director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service) and (b) compensation paid to an immediate family member of the director who is an employee (other than an executive officer) of Morgan Stanley; or (v) a present Morgan Stanley executive officer is or was on the compensation committee of the board of directors of a company that concurrently employed the Morgan Stanley director or an immediate family member of the director as an executive officer.

2. Relationships not deemed material for purposes of director independence.

In addition to the provisions of Section 1 above, each of which must be fully satisfied with respect to each independent director, the Board must affirmatively determine that the director has no material relationship with Morgan Stanley. To assist the Board in this determination, it has adopted the following categorical standards of relationships that are not considered material for purposes of determining a director's independence. Any determination of independence for a director that does not meet these categorical standards will be based upon all relevant facts and circumstances and the Board shall disclose the basis for such determination in the Company's proxy statement.

A. Equity Ownership. A relationship arising solely from a director's ownership of an equity or limited partnership interest in a party that engages in a transaction with Morgan Stanley, so long as such director's ownership interest does not exceed 5% of the total equity or partnership interests in that other party.

B. Other Directorships. A relationship arising solely from a director's position as (i) director or advisory director (or similar position) of another company or for-profit corporation or organization or (ii) director or trustee (or similar position) of a tax exempt organization.

C. Ordinary Course Business. A relationship arising solely from transactions, including financial services transactions such as underwriting, banking, lending or trading in securities, commodities or derivatives, or from other transactions for products or services, between Morgan Stanley and a company of which a director is an executive officer, employee or owner of 5% or more of the equity of that company, if such transactions are made in the ordinary course of business and on terms and conditions and under circumstances (including, if applicable, credit or underwriting standards) that are substantially similar to those prevailing at the time for comparable transactions, products or services for or with unaffiliated third parties.

D. Contributions. A relationship arising solely from a director's status as an executive officer of a tax exempt organization, and the contributions by Morgan Stanley (directly or through the Morgan Stanley Foundation or any

similar organization established by Morgan Stanley) to the organization are less than the greater of \$1,000,000 or 2% of the organization's consolidated gross revenues during the organization's preceding fiscal year (matching of employee charitable contributions are not included in Morgan Stanley's contributions for this purpose).

E. Products and Services. A relationship arising solely from a director utilizing products or services of Morgan Stanley in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable products or services provided to unaffiliated third parties.

F. Professional, Social and Religious Organizations and Educational Institutions. A relationship arising solely from a director's membership in the same professional, social, fraternal or religious association or organization, or attendance at the same educational institution, as an executive officer or director.

G. Family Members. Any relationship or transaction between an immediate family member of a director and Morgan Stanley shall not be deemed a material relationship or transaction that would cause the director not to be independent if the standards in this Section 2 would permit the relationship or transaction to occur between the director and Morgan Stanley.