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Morgan Stanley

Morgan Stanley Inherited IRA

An Inherited IRA is an Individual Retirement Account that is designed to hold retirement assets left to a beneficiary after the owner's death.

An **Inherited IRA** is intended specifically for the beneficiary of an IRA or a workplace saving plan, such as a 401(k), after the owner's death.

An **Inherited Remainder IRA** refers to an Inherited IRA that has been passed from the original beneficiary to his/her beneficiary (the remainder beneficiary) and the funds from original Inherited IRA have been transferred to the Inherited Remainder IRA.

These IRAs can provide the beneficiary the opportunity to extend distributions and tax obligations over the course of his/her lifetime, while keeping the funds invested in an IRA where they maintain tax-deferred growth potential.

Important Considerations:

- Depending on your relationship to the original owner of the assets, there are different options available to you. If the decedent was your spouse, you should consider whether it makes sense to roll over the inherited assets to your own IRA or to utilize an Inherited IRA.
- Timing is important, so take note of key dates. If you fail to take action in the prescribed time period, some options may be closed to you.
- You cannot make regular contributions to an Inherited IRA or rollover assets from another IRA or workplace saving plan. However, you may establish another IRA to receive such rollovers or contributions, subject to applicable IRS requirements.

Tax laws surrounding Inherited IRAs are complicated and beneficiaries should seek the advice of a tax professional.

Getting Started

Inheriting assets can present challenges and your Financial Advisor or Private Wealth Advisor can help you through the process of establishing an Inherited IRA. This enrollment kit contains everything you need to begin the process of taking control of your Morgan Stanley Inherited IRA. Please review this information and return the completed forms to your Financial Advisor or Private Wealth Advisor. You should retain the Traditional IRA or Roth IRA plan document, disclosure statement and other documents for your records, as applicable to the type of Inherited IRA you open.

This kit is used to open the following account types:

- Traditional Inherited IRA
- Traditional Inherited Remainder IRA
- Roth Inherited IRA
- Roth Inherited Remainder IRA

Included Documents

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For Morgan Stanley Use Only

Morgan Stanley

BRANCH NO. ACCOUNT NO. FINANCIAL ADVISOR/PRIVATE WEALTH ADVISOR NO.

THE MORGAN STANLEY INHERITED IRA ADOPTION AGREEMENT

Please complete all applicable sections on this IRA Adoption Agreement to open an IRA account at Morgan Stanley Smith Barney LLC ("Morgan Stanley") to adopt a Traditional Individual Retirement Plan ("Plan") or Roth IRA, and establish an Inherited Traditional or Inherited Roth IRA. Please select one of the Account Types below. Additional directions are provided within each section of this Adoption Agreement. Please contact your Morgan Stanley Financial Advisor or Private Wealth Advisor should you require further assistance in filling out this agreement. Please note that references to the Custodian refer to Morgan Stanley Smith Barney LLC.

Explanation:

This Inherited IRA Adoption Agreement is to allow you to establish an Inherited IRA.

Inherited IRAs are generally IRAs in which an amount is transferred to an IRA you establish as beneficiary of a decedent who is usually someone other than your spouse. (If the decedent was your spouse, you should only use this Inherited IRA if you are eligible and do not elect to treat the IRA as your own.) You may establish an Inherited IRA through two types of direct transfers:

1. A direct transfer from the original IRA of the deceased owner (or from another IRA to which it has been transferred from the IRA of the deceased owner); and
2. A direct transfer from an eligible retirement plan to a nonspouse beneficiary which has only become available for distributions after 2006, and under which a beneficiary of a plan participant in an eligible retirement plan who is not the plan participant's spouse may directly transfer an "eligible rollover distribution" to an Inherited IRA.

   You will not be permitted to make regular deductible or nondeductible contributions from your compensation to your Inherited IRA. You also will not be able to make rollover contributions such as from, for example, a qualified plan you participated in. You may, however, establish another IRA to receive such rollovers or contributions, subject to applicable IRS requirements.

   An "Inherited Remainder" IRA refers to an Inherited IRA under which you are the remainder beneficiary of the person who was the original beneficiary of a decedent's IRA, and the monies in that original beneficiary's Inherited IRA have been transferred to the Inherited Remainder IRA.

   The application of the IRA required minimum distribution ("RMD") rules to Inherited IRAs is complicated and depends upon your own facts and circumstances. You are responsible for calculating and withdrawing the RMDs out of your Inherited IRA. RMDs from Inherited IRAs attributable to amounts transferred from an eligible retirement plan to a nonspouse beneficiary depend (in part) on the particular plan provisions from where the transferred amounts came from. Remainder beneficiaries also must take RMDs. Under current law, failure to take a RMD when due may subject you to an excise penalty tax of 50% of the amount that should have been taken. You should consult your tax and/or legal advisor with respect to your RMDs.

Type of Account (check one)

☐ Traditional Inherited IRA [128]
☐ Traditional Inherited Remainder IRA [129]
☐ Roth Inherited IRA [198]
☐ Roth Inherited Remainder IRA [199]

Fees

Morgan Stanley reserves the right, in its sole discretion, to elect to discount or waive certain fees, including but not limited to Morgan Stanley's IRA custodial fees, for certain customers.

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For Morgan Stanley Use Only

BRANCH NO. | ACCOUNT NO. | FINANCIAL ADVISOR/PRIVATE WEALTH ADVISOR NO.

Please fill in the requested information below in its entirety and print clearly using CAPITAL letters. Attach an original certified Death Certificate. Your Financial Advisor or Private Wealth Advisor may ask you for additional required documentation.

Section 1: Decedent Information

DECEDENT'S NAME

DECEDENT'S SOCIAL SECURITY NUMBER

___/___/___ DECEDENT'S DATE OF BIRTH (MM/DD/YYYY)

___/___/___ DECEDENT'S DATE OF DEATH (MM/DD/YYYY)

DECEDENT'S ACCOUNT TYPE (IF APPLICABLE) ☐ Traditional ☐ SEP ☐ SIMPLE ☐ SAR–SEP ☐ Roth ☐ Qualified Plan

DECEDENT'S MORGAN STANLEY IRA ACCOUNT NUMBER

Or, if this is a Direct Transfer, fill in the name of the delivering financial institution

Section 2: Beneficiary Information

Part A. Complete the following if your relationship to the decedent was:

(Check one) ☐ Spouse ☐ Non-Spouse

NAME

LEGAL ADDRESS

CITY, STATE, ZIP CODE AND COUNTRY

PRIMARY PHONE ☐ Home ☐ Business ☐ Agent

SECONDARY PHONE ☐ Home ☐ Business ☐ Agent

EMAIL

SOCIAL SECURITY NUMBER

___/___/___ DATE OF BIRTH (MM/DD/YYYY)

MORGAN STANLEY EMPLOYEE ☐ Yes ☐ No

MARITAL STATUS ☐ Married ☐ Single ☐ Widowed ☐ Divorced ☐ Domestic Partner

If the beneficiary is a minor under the age of 18

PARENT OR LEGAL GUARDIAN'S NAME

LEGAL ADDRESS

CITY, STATE, ZIP CODE AND COUNTRY

PRIMARY PHONE ☐ Home ☐ Business ☐ Agent

SECONDARY PHONE ☐ Home ☐ Business ☐ Agent

EMAIL

SOCIAL SECURITY NUMBER

___/___/___ DATE OF BIRTH (MM/DD/YYYY)

MORGAN STANLEY EMPLOYEE ☐ Yes ☐ No

MARITAL STATUS ☐ Married ☐ Single ☐ Widowed ☐ Divorced ☐ Domestic Partner

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BRANCH NO. | ACCOUNT NO. | FINANCIAL ADVISOR/PRIVATE WEALTH ADVISOR NO.

Part B. Complete the following if the relationship to the decedent is a Non-Living Entity.

(Check one) ☐ Trust ☐ Estate ☐ Educational, Religious, Charitable Organizations

ENTITY NAME

LEGAL ADDRESS

CITY, STATE, ZIP CODE AND COUNTRY

ENTITY TIN | PRIMARY PHONE | SECONDARY PHONE

ENTITY REPRESENTATIVE NAME (AUTHORIZED SIGNER)

Entity Representative Title/Role—*(Check one):* ☐ Trustee ☐ Executor ☐ Administrator ☐ Conservator ☐ Personal Representative

LEGAL ADDRESS

CITY, STATE, ZIP CODE AND COUNTRY

PRIMARY PHONE | SECONDARY PHONE

SOCIAL SECURITY NUMBER | ___/___/___ DATE OF BIRTH (MM/DD/YYYY) | ☐ Yes ☐ No MORGAN STANLEY EMPLOYEE

ENTITY REPRESENTATIVE NAME (AUTHORIZED SIGNER)

Entity Representative Title/Role—*(Check one):* ☐ Trustee ☐ Executor ☐ Administrator ☐ Conservator ☐ Personal Representative

LEGAL ADDRESS

CITY, STATE, ZIP CODE AND COUNTRY

PRIMARY PHONE | SECONDARY PHONE

SOCIAL SECURITY NUMBER | ___/___/___ DATE OF BIRTH (MM/DD/YYYY)) | ☐ Yes ☐ No MORGAN STANLEY EMPLOYEE

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For Morgan Stanley Use Only

BRANCH NO.

ACCOUNT NO.

FINANCIAL ADVISOR/PRIVATE WEALTH ADVISOR NO.

Section 3: Designation of Remainder Beneficiary (Stretch-Out Option)—(ONLY AVAILABLE TO INHERITED IRA TYPES 128 OR 198)

I understand that upon my death my interest in the Inherited IRA described above shall become the property of Remainder Beneficiaries, if he or she survives me, and, if no Remainder Beneficiary survives me, or the Custodian cannot locate the beneficiary, then the Custodian shall distribute the Account balance in accordance with the Definition of "Beneficiary" in Article I of the Plan, as follows: To my (a) surviving spouse; (b) if no spouse, then to my surviving children (naturally born or legally adopted) in equal shares; (3) if no spouse or children, to my surviving parent(s) in equal shares or all to the surviving parent; and (d) if no spouse, children or parents, then to my estate.

Remainder beneficiaries may not designate a beneficiary. In the event a remainder beneficiary who is a natural person dies after receiving IRA benefits, amounts will be payable to his/her estate in a lump sum payment. I reserve the right to revoke or change the beneficiary designation. All prior designations (if any) of remainder beneficiaries for the IRA described above are hereby revoked and replaced by this Designation of Beneficiary.

I hereby name the individual(s) or entity described below to receive any scheduled payments from this Inherited IRA which become due after my death.

If you want to name more than two Remainder Beneficiaries, please attach a separate page with the information required below specific to those additional Remainder Beneficiaries.

NOTE: If the Remainder Beneficiary is a minor under applicable state law (generally, under the age of 18) a custodian under the Uniform Transfers to Minors Act ("UTMA") should be named in order to avoid the expense of obtaining a court order naming a conservator for the minor. A minor is not legally able to sign a contract, including the account agreement to open an Inherited IRA account. If you fail to name a UTMA custodian, and the amount to be paid to the minor exceeds $10,000 (or such amount as may be specified under applicable state law), then a conservator will have to be appointed by the appropriate court. The conservator would then have the right to act as UTMA custodian for the minor and open an Inherited IRA for the benefit of the minor. You should consult with your legal or tax advisor.

REMAINDER BENEFICIARY NAME

PERCENTAGE | ___/___/___ DATE OF BIRTH (MM/DD/YYYY) | SOCIAL SECURITY/TAX IDENTIFICATION NUMBER | RELATIONSHIP TO BENEFICIARY

LEGAL ADDRESS

CITY, STATE, ZIP CODE AND COUNTRY

REMAINDER BENEFICIARY NAME

PERCENTAGE | ___/___/___ DATE OF BIRTH (MM/DD/YYYY) | SOCIAL SECURITY/TAX IDENTIFICATION NUMBER | RELATIONSHIP TO BENEFICIARY

LEGAL ADDRESS

CITY, STATE, ZIP CODE AND COUNTRY

REMAINDER BENEFICIARY NAME

PERCENTAGE | ___/___/___ DATE OF BIRTH (MM/DD/YYYY) | SOCIAL SECURITY/TAX IDENTIFICATION NUMBER | RELATIONSHIP TO BENEFICIARY

LEGAL ADDRESS

CITY, STATE, ZIP CODE AND COUNTRY

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For Morgan Stanley Use Only

BRANCH NO.	ACCOUNT NO.	FINANCIAL ADVISOR/PRIVATE WEALTH ADVISOR NO.

Section 4: Important Information to Help You Understand Your IRA Documents and Disclosure Statements and to Determine Your Required Minimum Distributions

The Traditional and Roth IRA documents that follow this Adoption Agreement are approved by the Internal Revenue Service as to form, and reflect model language for IRAs. Please keep in mind as you read these, that, for most purposes, you are the "Beneficiary." The "Participant" generally refers to the decedent from whom you inherited the assets in your inherited IRA. Consequently, you will not be permitted to make regular deductible or nondeductible contributions from your compensation to your inherited IRA. You may, however, establish another IRA to receive contributions and rollovers, subject to applicable IRS requirements. In particular, that you are the "Beneficiary" should also be kept in mind when reading the descriptions of the rules for determining the time, form and tax consequences of distributions, such as the Required Minimum Distribution ("RMD") rules. The application of the IRA RMD rules to inherited IRAs is complicated and depends upon your own facts and circumstances. You should consult your tax or legal advisor with respect to your RMDs.

Section 5: Acknowledgment

SEC Disclosure—Withholding Election: I understand that SEC rules require you to disclose to an issuer, upon the issuer's request, my name, address and the number of shares of the issuer's securities you hold for me in "street" name, unless I have objected to such disclosure. The issuer would be permitted to use this information for shareholder communications only. You will withhold this information if I have checked the following box. ☐ **withhold**

I hereby adopt the Plan which is made a part of this Agreement, establish the Account described above and name Morgan Stanley Smith Barney LLC as Custodian of the Account. This Agreement will be effective on acceptance by Morgan Stanley Smith Barney LLC as Custodian.

Before signing this Adoption Agreement for an Inherited Traditional or an Inherited Roth IRA, I have received and reviewed: (i) the applicable Morgan Stanley Traditional or Roth IRA Plan document, (ii) the accompanying Morgan Stanley Disclosure Statement, (iii) the Fee Schedule and (iv) the Summary of the Bank Deposit Program attached hereto. I acknowledge that the more detailed Bank Deposit Program Disclosure Statement ("BDP Disclosure Statement") is available upon request. I have read the Plan document and understand that Morgan Stanley does not have any discretionary investment responsibility with respect to the assets held in my Account under the Plan and that Morgan Stanley will invest and reinvest the assets in my Account only on my direction. I also understand that Morgan Stanley will not provide investment advice that will serve as a primary basis for my investment decisions. With respect to any uninvested cash (in whole dollar amounts) held in my Account, I acknowledge and direct the investment of such amounts in bank deposits offered by Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association, through Morgan Stanley's Bank Deposit Program as described in the attached Summary of the Bank Deposit Program and the BDP Disclosure Statement.

I understand that adoption of the Plan has significant Federal and State tax consequences and I have been advised by Morgan Stanley to consult my attorney, accountant or other tax advisor.

USA Patriot Act Notice

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT OR ESTABLISHING A NEW CUSTOMER RELATIONSHIP

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all U.S. financial institutions to obtain, verify and record information that identifies each individual or institution that opens an account or establishes a customer relationship with Morgan Stanley.

What this means is that if you enter into a new customer relationship with Morgan Stanley, the firm will ask for your name, address, date of birth (as applicable) and other identification information. This information will be used to verify your identity. As appropriate, the firm may, in its discretion, ask for additional documentation or information. If all required documentation or information is not provided, Morgan Stanley may be unable to open an account or maintain a relationship with you.

- Before you sign the agreement in the space provided below, please make sure you have carefully read all the information on this form.
- Return the signed, completed form in its entirety to your Morgan Stanley Financial Advisor or Private Wealth Advisor.

In the event I choose to invest in one or more managed accounts offered by Morgan Stanley at the time I open this Plan, by executing this Agreement, I hereby direct Morgan Stanley to open a separate account for each managed account and this Adoption Agreement shall be deemed to constitute the Adoption Agreement for all such account(s). I agree that the terms and the conditions of the Plan, the Beneficiary designations and this Agreement shall apply to all such accounts on Morgan Stanley's books and records.

I understand that this account agreement may be amended by the Custodian at any time pursuant to Section 9.1 of the Plan document.

I understand and agree that the Custodian may retain, as compensation for its provision of services, my Account's proportionate share of any interest earned on aggregate cash balances held by Morgan Stanley or an affiliate with respect to assets awaiting investment which is described in more detail in the Disclosure Statement provided to me.

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For Morgan Stanley Use Only

BRANCH NO. ACCOUNT NO. FINANCIAL ADVISOR/PRIVATE WEALTH ADVISOR NO.

By signing this Adoption Agreement, you establish the IRA which is made a part of the Adoption Agreement, acknowledge receipt of all applicable agreements related to this account contained in this booklet and agree to the terms of such documents. You acknowledge that you can obtain a copy of your executed Adoption Agreement by contacting your Financial Advisor or Private Wealth Advisor, the Client Interaction Center, 800-869-3326 or by accessing Morgan Stanley Online and clicking on the Account Documents tab under Records.

I understand that this account is governed by a predispute arbitration clause which is set forth in Section 15 of the Client Agreement. I acknowledge receiving a copy of the predispute arbitration clause.

DO NOT SIGN HERE—SIGNATURE REQUIRED ON PAGE 8.

SIGNATURE OF BENEFICIARY DATE (MM/DD/YYYY)

When a nonspouse Beneficiary is named, spouse consent is required in Community Property States, including but not limited to AK, AZ, CA, ID, LA, NV, NM,TX, WA, WI, to waive any community property interest a spouse may have in your inherited IRA, including any earnings on the inherited IRA account.

I hereby agree and consent to the Remainder Beneficiary set forth above, along with my agreement and consent, do hereby transmute to my spouse all my community property interest in the IRA described above that I may have. I voluntarily elect to relinquish my rights to any community property interest in the Account.

SIGNATURE OF BENEFICIARY'S SPOUSE *Required for Community Property State residents* DATE (MM/DD/YYYY)

Accepted by
Morgan Stanley Smith Barney LLC as Custodian and IRA Sponsor

For Morgan Stanley Use Only—Multiple Managed Accounts

Where multiple managed account IRAs are being opened for the same client, please list the account numbers of all accounts which will be governed by this Adoption Agreement. All the terms and conditions of the IRA Plan, including the Remainder Beneficiary designations, must be identical. If any information is different, a separate Adoption Agreement will be required.

BRANCH NUMBER	ACCOUNT NUMBER	FA/PWA NUMBER
BRANCH NUMBER	ACCOUNT NUMBER	FA/PWA NUMBER
BRANCH NUMBER	ACCOUNT NUMBER	FA/PWA NUMBER
BRANCH NUMBER	ACCOUNT NUMBER	FA/PWA NUMBER
BRANCH NUMBER	ACCOUNT NUMBER	FA/PWA NUMBER

Initials of Authorizing Financial Advisor or Private Wealth Advisor
required only if multiple managed accounts are being established

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For Morgan Stanley Use Only

BRANCH NO. ACCOUNT NO. FINANCIAL ADVISOR/PRIVATE WEALTH ADVISOR NO.

IRA and CESA Client Agreement Application

Instructions

Use this IRA and CESA Client Agreement Application ("Application") as part of the Morgan Stanley account opening, process for an Individual Retirement Account (Traditional/Rollover/Roth/Inherited/SEP/SAR-SEP and SIMPLE IRAs) (collectively "IRA") or Coverdell Education Savings Account (CESA) to open an account with Morgan Stanley Smith Barney LLC ("Morgan Stanley").* Your IRA or CESA (as applicable) consists of the Client Agreement, the applicable IRA or CESA Adoption Agreement (which is attached) and the applicable IRA or CESA governing plan document. Certain terms not otherwise defined in the Application are defined in the Morgan Stanley Smith Barney LLC Client Agreement ("Client Agreement").**

Important Information

To open and maintain your account(s), each client must acknowledge receipt of and agree to the terms and conditions of the Client Agreement and relevant disclosures that follow in your Welcome Book and on these Signature Pages. If you transmit an executed copy of the Client Agreement or other required documentation either by facsimile or via portable document format ("PDF"), you agree to be bound by such electronic versions.

Profile and Statement Consolidation

If statement and account information consolidation has been requested, by signing where required, each of you as account owners represented in this application **confirms** your instructions and prior consent to consolidate the delivery of profiles and other personal and identifying information about you, general correspondence, statements and all related information for your accounts with that of other accounts and account owners in the account link group. Such consolidated communications will be delivered to the address designated as the mailing address for the account link group and shall be addressed to the owners of the primary account.

Accounts which have the same mailing address, Financial Advisor or Private Wealth Advisor and branch location, and Social Security Number(s)/Tax Number(s) are subject to automatic account linking.

Morgan Stanley may terminate consolidated delivery of your information at any time at our sole discretion. If you no longer want consolidated delivery of your information as described herein or need to change your consolidation status, you **agree** to contact your Financial Advisor or Private Wealth Advisor immediately with new instructions.

Electronic Delivery

☐ **Check this box if you would like to enroll for Electronic Delivery and agree to be bound by terms and conditions thereof.** As a client enrolled in Electronic Delivery you will receive electronic notifications that documents are available for review in lieu of physical copies. These notifications will be sent to the email address that you have provided below. At your first log-in to Morgan Stanley Online there will be a verification process for this email address which must be completed before electronic delivery can commence. Any accounts you open in the future will also be enrolled for eDelivery.

EMAIL: ______________________________

Please send all eDelivery notifications to the email address above.

USA Patriot Act[1] Notice

Important information about procedures for opening a new account or establishing a new relationship:

To help the government fight the funding of terrorism and money laundering activities, federal law requires all U.S. financial institutions to obtain, verify, and record information that identifies each individual or institution that opens an account or establishes a customer relationship with Morgan Stanley.

What this means for you: When you enter into a new customer relationship with Morgan Stanley, we will ask for your name, address, date of birth (if applicable), and other identification information. This information will be used to verify your identity. As appropriate, we may, at our discretion, ask for additional documentation or information.

It is your obligation to provide true and accurate copies of your identifying documentation. If all required documentation or information is not provided, Morgan Stanley may not be able to open an account or maintain a relationship with you.

* Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank. Where appropriate, we have entered into arrangements with licensed banks and other third parties to assist in offering certain services. Unless specifically disclosed to you in writing, investments and services offered through Morgan Stanley Smith Barney LLC, member SIPC, are not insured by the FDIC, are not deposits or other obligations of, or guaranteed by, banks and involve investment risks, including possible loss of principal amount invested.

** The Client Agreement, along with the applicable IRA or CESA adoption agreement, custodial agreement/plan document and disclosure statements (which include fee schedules) sets forth the terms and conditions of the IRA or CESA Account and, together with the Welcome Book and online disclosures provided at account opening, provides important information about Account services and fees. Also included in your Account opening materials is a copy of our U.S. Privacy Policy. The Account you are opening is a brokerage account, which is not regulated by the Investment Advisors Act of 1940, as amended. Certain services may not be available in jurisdictions outside the United States. For more information about the Account, review the Client Agreement.

1 The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. l. No. 107-56 (2001).

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For Morgan Stanley Use Only

BRANCH NO. ACCOUNT NO. FINANCIAL ADVISOR/PRIVATE WEALTH ADVISOR NO.

Politically Exposed Persons

By signing below, you are representing that you are not a Politically Exposed Person. For the purposes of this Agreement, a "Politically Exposed Person" is a senior official in the executive, legislative, administrative, military or judicial branch of a foreign government (whether elected or not) or a major foreign political party, a senior executive of a foreign government-owned corporation or a corporation, business or other entity formed by, or for the benefit of, such a figure; "immediate family" includes, but is not limited to, parents, siblings, children and in-laws; "close associate" means a person who is widely and publicly known to maintain an unusually close relationship with a senior foreign political figure, including a person in a position to conduct substantial domestic and international financial transactions on behalf of such figure. For a fuller discussion of the preceding terms and definitions, see http://www.federalreserve.gov/boarddocs/srletters/2001/sr0103.htm.

Disclosure of Your Name to Issuers of Securities

SEC rules require us to disclose to an issuer, upon the issuer's request, your name, address and the number of shares of the issuer's securities that we hold for you in "street" name, unless you have objected to such disclosure. The issuer is permitted to use this information for shareholder communications only.

If you object to us providing this information to issuers, please contact your Financial Advisor or Private Wealth Advisor.

Client Acknowledgement—Client Application and IRA/CESA Adoption Agreement

You understand that bank issued certificates of deposit purchased through Morgan Stanley and the Bank Deposit Program are insured by the FDIC up to applicable limits and that all other investment products are not FDIC insured, are not a deposit or other obligation of a depository institution, and are not guaranteed by a depository institution. You further understand that all other investment products are subject to investment risks, including the possible loss of the principal amount invested.

If you have requested any of the services referenced in the Cash Management Services section in the attached Client Agreement, you agree to the terms of the Client Agreement governing those services and authorize Morgan Stanley to establish checkwriting privileges issued as instructed by you. You affirm that you have the authority to open this account. You understand and agree that this account is governed by the Client Agreement and/or other agreements you may have with Morgan Stanley or other providers of services related to the account. You agree that if you decline to participate in any of Morgan Stanley's services today, but elect to do so in the future, you agree to be bound by the applicable terms in the Client Agreement and any other agreements relating to such service at that time.

You represent that neither you nor any other person who has an ownership interest in, or authority over, the Account is or has been a Politically Exposed Person, also known as a senior foreign political figure, as defined on the previous page, or an immediate family member or close associate of a senior foreign political figure within the meaning of the U.S. Department of Treasury's Guidance on Enhanced Scrutiny for Transactions That May Involve the Proceeds of Foreign Official Corruption and as referenced in the USA PATRIOT ACT. If you, any other owner of, or authorized person on the Account is or has been such a figure, you are required to disclose that fact to Morgan Stanley and provide the necessary information required by law to open and/or to service your Account. You also represent that this Account will not be used for any transactions with, or for the benefit of, any person, entity or country subject to sanctions administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"); or any person, or entity designated on OFAC's List of Specially Designated Nationals and Blocked Persons.

By signing below, you acknowledge that you have received and agree to be bound by the terms of:

- **The attached Client Agreement, which includes a predispute arbitration clause in Section 15 beginning on page 85.**
- **If requested by you, you agree to the terms and conditions of electronic delivery as outlined in the Client Agreement.**
- **The attached Morgan Stanley IRA and/or CESA Adoption Agreement and Plan.**

SIGNATURE OF IRA PARTICIPANT, IRA BENEFICIARY OR CESA RESPONSIBLE INDIVIDUAL DATE

Morgan Stanley

Morgan Stanley Individual Retirement Plan (Effective as of October 1, 2012)

Morgan Stanley Smith Barney LLC ("Morgan Stanley") hereby establishes the Morgan Stanley Individual Retirement Plan (the "Plan"). Morgan Stanley Smith Barney LLC or an affiliate of Morgan Stanley will act as Custodian of all individual retirement accounts ("IRAs") established under the Plan. Each Account is known as the Morgan Stanley IRA. Each Morgan Stanley IRA is intended to qualify as an "individual retirement account" within the meaning of Section 408(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The IRA consists of the Plan document, and the separate Morgan Stanley Adoption Agreement and Morgan Stanley Client Agreement (which may be a separate Client Agreement or a component of a master brokerage account agreement), each of which has been executed by (or on behalf) of the individual for whom the IRA is established (the "Participant"). All IRAs established and maintained under the Plan shall be for the exclusive benefit of the individuals for whom the accounts are held or their beneficiaries. If this is an Inherited IRA within the meaning of Code Section 408(d)(3)(C) maintained for the benefit of a designated beneficiary of a deceased Participant, references in this document to the "Participant" are to the deceased Participant, unless otherwise provided. This Plan document applies to all IRA accounts maintained under the Plan on or after October 1, 2012, regardless of the date the Account was first established.

Article I — Definitions

1.1 "ACCOUNT" shall mean a Traditional IRA Account, Simplified Employee Pension ("SEP IRA") Account, Salary Reduction Simplified Employee Pension ("SAR-SEP IRA") Account, Rollover IRA Account, Spousal IRA Account, Inherited IRA Account and/or Rollover IRA Combined Account described in Section 1.15 below.

1.2 "ADOPTION AGREEMENT" shall mean the Agreement signed by each individual (or employer) adopting the Plan and establishing an Account.

1.3 "BENEFICIARY" shall mean the person or persons designated by a Participant or the Participant's surviving spouse, if appropriate, to receive the balance, if any, of the Participant's Account following the Participant's death. The Participant may designate one or more Beneficiaries at any time and from time to time, including one or more contingent Beneficiaries, who shall receive an interest in the Account as designated by the Participant only if one or more other Beneficiaries predecease the Participant, disclaim their interest in the Account or are otherwise disqualified from receiving an interest in the Account. The general requirements for Beneficiaries under the Plan are set forth below.

(a) Nonperson Beneficiaries: A trust, estate, charitable organization or other entity that is not an individual may be designated as a Beneficiary or contingent Beneficiary.

(b) Form of Beneficiary Designation/"Default" Beneficiaries: No designation of Beneficiary shall be effective until received, in writing, in a form acceptable to the Custodian. The Custodian shall act upon the last dated and signed designation of Beneficiary actually received by the Custodian in an acceptable form during the lifetime of the Participant. In the event no designated Beneficiary survives the Participant, or if the designated Beneficiary cannot be found, or if the Participant fails to designate a Beneficiary, in writing in a form acceptable to the Custodian prior to the Participant's death, the Custodian shall pay death benefits under the Plan in accordance with the following default rules.

(i) to the surviving spouse of the Participant, if any;

(ii) if no surviving spouse, then to the Participant's surviving children (naturally born or legally adopted) in equal shares;

(iii) if no surviving spouse and if no children survive the Participant, then to the Participant's surviving parents in equal shares, or 100% to the surviving parent; and

(iv) if no surviving spouse, no surviving children and if no surviving parents of the Participant, then to the personal representative of the Participant's estate, on behalf of the estate.

(c) Beneficiary Disclaimers: A Beneficiary, whether designated by the Participant or designated by operation of this Section 1.3, may disclaim all or part of the Beneficiary's interest in the Account by giving written notice of such disclaimer to the Custodian. In the event a disclaimer is received that satisfies the requirements of Section 4.6(b)(ii) below, the Account shall be distributed as if the disclaiming Beneficiary had predeceased the Participant, in accordance with the minimum distribution rules as interpreted by the Treasury Department.

(d) Subsequent Designation of Remainder Beneficiary: The Beneficiary designated hereunder may, following the death of the Participant, establish an Inherited IRA and name an individual, trust, estate or other entity to receive any minimum required distributions under Sections 4.3 or 4.4 which are scheduled to be paid after the Beneficiary's death. Upon the death of the original Beneficiary, such individual, trust, estate or other entity shall be the Beneficiary for all purposes except for the provisions of (i) Sections 4.3 and 4.4 relating to minimum required distributions, and (ii) Section 1.3 relating to default beneficiary designations (the limitations of which are described in more detail in Section 1.3 (g) below).

(e) Community Property State Beneficiary Designations: A Participant residing in a community property state who wishes to designate a Beneficiary other than the Participant's spouse must obtain the written consent of the spouse to the designation. Such consent shall be intended to transmute and voluntarily relinquish the spouse's community property interest in the Participant's Account. In the event that the Participant's spouse's consent is not obtained as of the time of the Participant's death, and the spouse asserts a claim to such Participant's Account, such Beneficiary designation will not be considered by the Custodian to have been received in an acceptable form, but only to the extent of such spouse's community property interest (as demonstrated to the Custodian by such surviving spouse either through a legal opinion or valid court order), and all other elections made on such form will apply. In the absence of any conclusive determination presented by the beneficiaries with respect to these matters, the Custodian may take such further action including, but not limited to actions described in Sections 6.5 and 6.8.

(f) Effect of Divorce on Beneficiary Designation: If the Participant has designated his or her spouse as a Beneficiary then, effective immediately upon the divorce, annulment or other lawful dissolution of their marriage, the designation of the ex-spouse as Beneficiary shall be null and void. The IRA will, upon the death of the Participant, be distributed as if the ex-spouse had predeceased the Participant. If the Participant, whether voluntarily or pursuant to a court order or agreement, determines to retain the ex-spouse as a Beneficiary, the Participant must submit a new designation of Beneficiary, in an acceptable form, dated after the date of the divorce, annulment or other lawful dissolution of the marriage, except to the extent a court order might otherwise provide.

(g) Application of Default Beneficiary Provisions—Special Circumstances: If the sole Beneficiary of an IRA (including an IRA that has been created by dividing a decedent's IRA into separate Inherited IRAs following the death of the Participant) fails to designate a beneficiary or remainder beneficiary, or the beneficiary cannot be found, the default provisions provided in this Section 1.3 (b) will apply for purposes of determining who is entitled to receive the Account (with the term "Beneficiary" replacing the term "Participant" in Section 1.3(b)(i)-(iv)). In the event a remainder beneficiary that is a natural person dies after receiving benefits, amounts will be payable to his/her Estate in a lump sum payment.

(h) Powers of Appointment: When the Participant is alive, no Beneficiary or representative of the Participant may act as the Participant to provide directions or instructions with respect to the Participant's Account, except if authorized to do so in a manner acceptable to the Custodian and permitted by law.

1.4 "CATCH-UP CONTRIBUTIONS" shall mean, in the case of a Participant who is 50 or older as of the last day of the year for which a contribution is made, either (a) in the case of an annual contribution to an IRA (other than salary reduction contributions to a SAR-SEP IRA), the Maximum Annual Contribution (as defined in Section 1.11 (a) below) shall be increased by $1,000 for any taxable year beginning in 2006 and years thereafter, or (b) in the case of salary reduction contributions to a SAR-SEP IRA, an amount not to exceed the lesser of (i) Code Section 414(v)(2)(A) limits ($5,000 for 2006 and later years) or (ii) the excess, if any, of the Participant's Compensation (as defined in Section 2.5(b)(iv)) for the year, over any other elective deferrals made by the Participant for the year (other than Catch-Up Contributions). Catch-Up Contributions that may be made by or on behalf of a Participant for any taxable year to an IRA established under this Plan shall be reduced by the amount of Catch-Up Contributions made by or on behalf of the same Participant to any other IRA or Roth IRA for the same taxable year except that, in the case of Catch-Up Contributions made as salary reduction contributions to a SAR-SEP IRA, the amount of such Catch-Up Contributions allowed for any taxable year shall be reduced by the amount of Catch-Up Contributions made by or on behalf of the same Participant to any other SAR-SEP or a Retirement Plan described in Code Sections 401(a), 403(b), 408(p) or 457. The Plan shall be interpreted to deem any Participant's contribution that exceeds the Maximum Annual Contribution as defined in Section 1.11 or the salary reduction limit as defined in Section 2.5(b)(ii) to be a Catch-Up Contribution unless the Participant elects to treat such amount as an Excess Contribution described in Section 2.10.

For calendar years beginning on or after 2006, the limit for Catch-Up Contributions to SAR-SEP IRAs (but not to Traditional or Roth IRAs) will be adjusted by the Secretary of the Treasury for cost-of-living increases as provided under Code Section 414(v)(2)(C).

1.5 "CODE" shall mean the Internal Revenue Code of 1986, as amended.

1.6 "COMPENSATION" shall mean all wages, salaries, professional fees or other amounts derived from or received by a Participant during the Participant's taxable year for personal services actually rendered during that year, including but not limited to commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips and bonuses as well as earned income, as defined in Code Section 401(c)(2), exclusive of deductible contributions made to a self-employed retirement plan. For purposes of this definition, Code Section 401(c)(2) shall be applied as if the term "trade or business" for purposes of Code Section 1402 included service described in Code Section 1402(c)(6). Compensation shall also include any amount includible in a Participant's gross income under Code Section 71 with respect to a divorce or separation instrument described in Code Section 71(b)(2)(A). Compensation also includes any differential wage payments as defined in Code Section 3401(h)(2). Compensation shall not include amounts derived from or received as earnings or profits from property (including, but not limited to, interest and dividends), amounts received as pensions, annuities or deferred compensation or amounts not includible in the Participant's gross income for Federal income tax purposes (determined without regard to Code Section 112).

1.7 "CUSTODIAN" shall mean Morgan Stanley Smith Barney LLC, a Delaware corporation, or its successor or eligible assignee, or an affiliate designated by Morgan Stanley Smith Barney LLC to act as Custodian for IRAs established or maintained under this Plan. In the event that Morgan Stanley Smith Barney LLC is merged with an unaffiliated legal entity where Morgan Stanley Smith Barney LLC is not the surviving corporation, or if Morgan Stanley Smith Barney LLC is acquired, in whole or in part, by another unaffiliated legal entity who acquires the custodial IRA business of Morgan Stanley Smith Barney LLC, such entity shall become Custodian, under this document, so long as (a) the terms of such operative documents providing for the assumption of the role of IRA custodian by the acquisition or merger specify the assumption of the IRA custodianship and (b) such successor or acquiring entity satisfies the requirements under the Code and applicable Federal and state law for serving as an IRA custodian. In the event of an internal corporate reorganization of the Morgan Stanley group which includes Morgan Stanley Smith Barney LLC and its affiliates where Morgan Stanley Smith Barney LLC is not a surviving entity but one or more of its affiliates are, any such successor entity shall, if otherwise satisfying the requirements under the Code and applicable Federal and state law, automatically become Custodian as of the date of such reorganization. In the event that Morgan Stanley Smith Barney LLC shall merge, be acquired, or be reorganized and the foregoing provision of this Section 1.7 does not provide a successor Custodian to Morgan Stanley Smith Barney LLC, the Participant shall appoint a successor Custodian in accordance with Section 8.2.

1.8 "ESA" shall mean a Coverdell Education Savings Account described in Code Section 530.

1.9 "INHERITED IRA" shall mean an individual retirement account within the meaning of Code Section 408(d)(3)(C) maintained for the benefit of a designated beneficiary of a deceased individual.

1.10 "IRA" shall mean a Traditional IRA, SIMPLE IRA and a Roth IRA but shall not mean an Education Savings Account.

1.11 "MAXIMUM ANNUAL CONTRIBUTION" shall mean:

(a) With respect to Traditional IRA Contributions made by or on behalf of a Participant for a taxable year, an amount that does not exceed the lesser of (i) the Code Section 219(b)(5)(A) limits ($5,000 for any taxable year beginning in 2008 and years thereafter), or (ii) 100% of the Participant's Compensation (or, for Spousal IRA Contributions, the aggregate Compensation described in Section 2.4(b)(i)), reduced by (c) the amount of any contributions made by or on behalf of the Participant (or, in the case of Spousal IRA contributions, the Participant's spouse) to another Traditional IRA or to a Roth IRA for the same taxable year.

After 2008, the dollar amounts set forth in (a) above will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 219(b)(5)(D). Such adjustments will be in multiples of $500.

(b) In the case of an individual who is 50 or older, the annual cash contribution limit is increased by $1,000 for any taxable year beginning in 2006 and years thereafter. See also Section 1.4(a) (relating to Catch-Up contributions generally in the case of an individual who is 50 or older).

(c) In addition to the amounts described in this Section 1.11 (a) and (b) above, an individual may make additional contributions specifically authorized by statute — such as repayments of qualified reservist distributions, repayments of certain plan distributions made on account of a federally declared disaster and certain amounts received in connection with the Exxon Valdez litigation.

(d) In addition to the amounts described in this Section 1.11 (a) and (c) above, an individual who was a participant in a Section 401(k) plan of a certain employer in bankruptcy described in Code Section 219(b)(5)(C) may contribute up to $3,000 for taxable years beginning after 2006 and before 2010 only. An individual who makes contributions under this paragraph (c) may not also make contributions under this Section 1.11 (b) and Section 1.4 (a)(relating to Catch-Up contributions in the case of an individual who is 50 or older).

(e) If this is an Inherited IRA within the meaning of Section 1.9 of the Plan and Code Section 408(d)(3)(C), no contributions will be accepted.

1.12 "PARTICIPANT" shall mean an individual who adopts the Plan and who makes contributions, or on whose behalf contributions are made, to an Account. If a Traditional IRA is established by an individual on behalf of his or her spouse, "Participant" shall mean the spouse for whom such Account is established.

For purposes of Articles VI through XI, inclusive, if the Participant is deceased or if the Participant has authorized a representative, in a manner acceptable to the Custodian and permitted by law, to provide directions or instructions with respect to the Participant's Account, the term "Participant" shall also mean Beneficiary or such representative.

1.13 "PLAN" shall mean the Morgan Stanley Individual Retirement Plan, as it may be amended from time to time.

1.14 "RETIREMENT PLAN" shall mean an employer-sponsored pension, profit sharing or stock bonus plan described in Code Section 401(a), a qualified cash or deferred arrangement under Code Section 401(k), an annuity described in Code Section 403(a), a tax deferred annuity described in Code Section 403(b), a SEP or SAR-SEP described in Code Section 408(k), a SIMPLE IRA described in Code Section 408(p), except that, for purposes of Rollover Contributions defined in Section 1.17, a SIMPLE IRA shall only be a Retirement Plan if at least two years have passed since the Participant first participated in the SIMPLE IRA, or an eligible deferred compensation plan described in Code Section 457(b) which is maintained by an eligible employer described in Code Section 457(e)(1)(A). Retirement Plan shall not mean a Roth IRA or an Education Savings Account.

1.15 "ROLLOVER IRA ACCOUNT" shall mean an Account established by a Participant in which amounts are deposited in accordance with Section 2.6.

1.16 "ROLLOVER IRA COMBINED ACCOUNT" shall mean an Account established by a Participant into which Rollover as well as Traditional, SEP or SAR-SEP contributions may be made.

1.17 "ROLLOVER CONTRIBUTION" shall mean a contribution by a Participant consisting of cash or property distributed to the Participant (or a deceased Participant's surviving spouse) from an IRA or a Retirement Plan which meets the requirements of Code Section 408(d)(3).

1.18 "ROTH IRA" shall mean an individual retirement plan described in Code Section 408A.

1.19 "SAR-SEP IRA" shall mean an Account established by an individual who has entered into a salary reduction agreement with his or her employer pursuant to a Salary Reduction Simplified Employee Pension Plan established by the employer before January 1, 1997, and into which the employer makes SAR-SEP contributions on behalf of such individual.

1.20 "SEP IRA" shall mean an Account established by an individual whose employer has adopted a Simplified Employee Pension Plan pursuant to Code Section 408(k) and to which the employer makes SEP IRA contributions on behalf of such individual.

1.21 "SEP TRADITIONAL IRA ACCOUNT" shall mean an Account established by a Participant who meets the requirements of Sections 2.3 and 2.5 and into which SEP, SAR-SEP and Traditional contributions may be made under Sections 2.3(a), 2.5(b)(i) and 2.5(b)(ii).

1.22 "SIMPLE IRA" shall mean a qualified salary reduction arrangement described in Code Section 408(p) under which employee and employer contributions are made to IRAs which qualify as simple retirement accounts under Code Section 408(p) and to which no other IRA contributions (other than rollover contributions from other SIMPLE IRAs) may be made.

1.23 "SPOUSAL IRA" shall mean a Traditional IRA established by or for a married Participant to which Spousal IRA Contributions are made.

1.24 "TRADITIONAL IRA" shall mean an individual retirement account or individual retirement annuity described in Code Section 408(a) or (b), respectively, and shall, where the context so requires, include a Traditional IRA, SEP IRA, SAR-SEP IRA, SEP Traditional

IRA, Rollover IRA and Rollover Combined IRA, but not a Roth IRA. Notwithstanding anything contained herein to the contrary and without regard to the label or code number assigned to the Account, Traditional, SEP, SAR-SEP and Rollover IRA Contributions may be made to any one Traditional IRA, SEP IRA, SAR-SEP IRA, Rollover IRA or Rollover IRA Combined Account established for the same individual.

1.25 "TRADITIONAL IRA ACCOUNT" shall mean an Account established by or for the benefit of a Participant who meets the eligibility requirements set forth in Section 2.3.

Article II — Contributions

2.1 ESTABLISHMENT OF ACCOUNT. Any individual (or the duly authorized representative of an individual) who meets the requirements of this Article II, or any employer maintaining a SEP or SAR-SEP (which SAR-SEP must have been established before January 1, 1997) under which such individual is an eligible employee, may adopt this Plan and establish an Account by delivering an executed Adoption Agreement and Client Agreement to the Custodian pursuant to which such individual shall become a Participant and shall be bound by all of the terms and conditions of the Plan. A duly authorized representative includes a parent, legal guardian, conservator or other court-appointed representative of a minor child or incapacitated adult, an attorney-in-fact acting under a power of attorney, the personal representative of a decedent's estate or the beneficiary of an individual's interest in a Retirement Plan or IRA. An individual's participation in the Plan shall be effective when the Custodian accepts the Adoption Agreement.

2.2 REVOCATION OF PARTICIPATION. Any Participant (or duly authorized representative of a Participant) may revoke participation in the Plan without penalty within seven days after the earlier of the establishment or the purchase of the Plan by notifying the Custodian in writing of such revocation, except that a SEP IRA or SAR-SEP IRA Account established to receive contributions under an employer's SEP or SAR SEP Plan may only be revoked by such employer. In the case of a Rollover IRA Combined Account or a SEP Traditional IRA Account, a Participant's revocation shall be effective only with respect to the portion of the Account which is not established by the employer under an employer's SEP or SAR-SEP Plan and an employer's revocation shall be effective only with respect to the portion of the Account which is established by the employer pursuant to such SEP or SAR-SEP.

Upon revocation of an Account under this Section 2.2, the Custodian shall return the full amount contributed by or on behalf of the Participant, together with any fees, charges or expenses paid and without regard to any change in market value of Account assets.

2.3 TRADITIONAL IRA ACCOUNT.

(a) Eligibility and Contributions. A Participant who will not have attained age 70½ before the close of such individual's current taxable year may establish a Traditional IRA Account and may contribute to that Account an amount up to the sum of (i) the Maximum Annual Contribution as defined in Section 1.11 above and (ii) if eligible, Catch-Up Contributions as defined in Section 1.4 above.

(b) Time for Making Contributions. Contributions to a Traditional IRA Account for a Participant's taxable year may be made at any time and from time to time during the period from the first day of the taxable year until the date on which the Participant's Federal income tax return is due (not including extensions).

2.4 SPOUSAL IRA CONTRIBUTIONS.

(a) Eligibility. A Traditional IRA Account may be established by or for a married Participant and contributions ("Spousal IRA Contributions") may be made to such account if:

(i) the Participant will not have attained age 70 ½ before the end of the taxable year for which such contributions are to be made; and

(ii) the Participant files a joint Federal income tax return for the year for which contributions are to be made and the amount, if any, of such Participant's Compensation, if any, includible in such Participant's gross income is less than the Compensation includible in the gross income of such Participant's spouse for such taxable year reduced by the sum of all Traditional and Roth IRA contributions made by the Participant's spouse for the year of the return.

(b) Contributions. Spousal IRA Contributions for a year may not exceed the sum of: (i) the Maximum Annual Contribution as defined in Section 1.11 above, except that Compensation taken into account to determine Spousal IRA Contributions shall be the aggregate of all Compensation reported by the Participant and the Participant's spouse on their joint Federal income tax return reduced by the amount of Traditional and Roth IRA contributions made by the Participant's spouse for such year; and (ii) if eligible, Catch-Up Contributions as defined in Section 1.4 above.

(c) Time for Making Contributions. Spousal IRA Contributions for a taxable year may be made at any time and from time to time during the period from the first day of the taxable year until the date on which the Participant's Federal income tax return is due (not including extensions).

2.5 SIMPLIFIED EMPLOYEE PENSION PLAN ACCOUNTS.

(a) Eligibility. An individual whose employer has established a Simplified Employee Pension Plan or, before January 1, 1997, has established a Salary Reduction Simplified Employee Pension Plan under Code Section 408(k), may establish a SEP IRA or SAR-SEP IRA Account if the employer's plan so permits. An individual who first becomes eligible to participate in an employer's SAR-SEP Plan after December 31, 1996, may establish a SAR-SEP IRA Account to receive contributions under such plan provided the employer established the SAR-SEP Plan before January 1, 1997.

(b) Contributions.

(i) SEP IRA Accounts. The Participant's employer may contribute an amount up to 25% of the Participant's Compensation or $40,000 (subject to adjustment by the U.S. Department of the Treasury under Code Section 415(d)), whichever is less, for each SEP Plan year.

(ii) SAR-SEP IRA Accounts. The Participant's employer may contribute an amount equal to the Participant's salary reduction but in no event more than the lesser of 25% of the Participant's Compensation or Code Section 402(g)(1)(B) limits ($15,000 for 2006 and later years) (subject to adjustment by the U.S. Department of the Treasury under Code Section 402(g)(4)) plus such other contributions as may be required by Code Section 416 (top heavy rules)). After 2006, the dollar limitation will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 402(g)(4).

(iii) The Participant may elect to establish a SEP Traditional IRA Account in which case both employer and Participant contributions may be made to such account pursuant to Sections 2.3(a) and 2.5(b)(i) or (ii) or both of this Plan.

(iv) For purposes of this Section 2.5(b) only, Compensation may not exceed $200,000, subject to adjustment by the U.S. Department of the Treasury under Code Section 401(a)(17)(B).

(c) Time for Making Contributions.

(i) Employer contributions to a SEP IRA Account for a year may be made at any time and from time to time during the period from the first day of such year until the due date (with extensions) for the Employer's Federal income tax return for the employer's taxable year ending with or within such year.

(ii) Contributions made to a Participant's SAR-SEP IRA Account for a year representing amounts deferred by the Participant from Compensation received for the year may be made at any time after a salary reduction agreement is executed but before the Participant has received the Compensation being deferred, subject to any tax deposit requirements imposed by applicable law.

(iii) Employer SEP or SAR-SEP contributions under Code Section 416 must be made by the due date (with extensions) of the employer's Federal income tax return for the taxable year ending with or within the year for which such contributions must be made.

2.6 ROLLOVER IRA AND ROLLOVER IRA COMBINED ACCOUNTS.

(a) Eligibility. Any Participant is eligible to make a Rollover Contribution to a Rollover IRA, Traditional IRA or Rollover IRA Combined Account at any time. The Custodian shall accept Rollover Contributions directly from a trustee or administrator of a Retirement Plan provided such contributions meet any applicable provisions of the Code and this Plan for Rollover Contributions.

(b) Rollover IRA Combined Accounts. If a Participant has established a Rollover IRA Combined Account, then, in addition to Rollover Contributions, contributions may be made pursuant to Sections 2.3, 2.4 or 2.5 to such account.

(c) Time for Making Rollover Contributions. All Rollover Contributions must be made on or before the 60th calendar day after the Participant receives a Retirement Plan or IRA distribution except that a distribution which fails to be a qualified first-time homebuyer distribution, as defined in Code Section 72(t)(8), solely by reason of a delay or cancellation of the purchase or construction of a principal residence may be contributed to an Account not later than 120 days after the Participant received the distribution.

(d) Limitation of Rollover Contributions. A distribution from an IRA at any time during the 1-year period ending on the day such distribution is received shall not be an acceptable Rollover Contribution if, during such 1-year period, the Participant received another distribution from the same IRA which the Participant excluded from gross income by making a Rollover Contribution to any IRA. This 1-year limit shall not apply to any distribution which fails to be a qualified first-time homebuyer distribution, as defined in Code Section 72(t)(8), solely by reason of a delay or cancellation of the purchase or construction of a principal residence nor shall such distributions be taken into account when determining whether the 1-year limit applies to any other distribution. In addition, any distribution from an IRA which qualifies for and is rolled over to a Roth IRA shall not be taken into account when determining whether the 1-year limit applies to any other distribution.

2.7 NONFORFEITABILITY OF CONTRIBUTIONS. Each Participant's interest in the balance in the Participant's Account shall at all times be nonforfeitable.

2.8 NATURE OF CONTRIBUTIONS. Except for Rollover Contributions, all contributions must be in cash. A Rollover Contribution may consist of:

(a) cash;

(b) property received by the Participant in a distribution described in Section 2.6(a), provided that such property is of a nature and in a form acceptable to the Custodian; or,

(c) if the distribution is received from a Retirement Plan other than a SEP, SAR-SEP or a SIMPLE IRA, the cash proceeds of the sale of property received in such distribution, in accordance with Code Sections 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3), or 457(e)(16).

2.9 PROHIBITED CONTRIBUTIONS. SIMPLE IRA, Roth IRA and Education Savings Account contributions may not be made to an Account established under this Plan except for Rollover Contributions from a SIMPLE IRA described in Section 1.13 and recharacterizations described in Section 2.11(a).

2.10 DISTRIBUTION OF EXCESS CONTRIBUTIONS AND DEFERRALS.

(a) Excess Contributions. To the extent permitted by the Code or other applicable law, the Participant may, upon written request, either (i) receive a distribution of Excess Contributions (plus allocable earnings, if required) or (ii) transfer all or a portion of such Excess Contribution to a Roth IRA, to the extent permitted by Code Section 408A(d)(3)(D). An "Excess Contribution" means an amount contributed to the Account by the Participant that exceeds the amount otherwise allowable as a contribution (i.e., the Maximum Annual Contribution plus, if applicable, any Catch-Up Contributions).

(b) Excess Deferrals. Notwithstanding any other provision of the Code, Excess Deferrals (plus income attributable to that amount) may be distributed to the Participant if such distribution is made not later than the 15th of April following the close of the taxable year in which the Excess Deferral was made. An "Excess Deferral" is an amount deferred by the Participant that exceeds the sum of the Applicable Deferral Amount and, if applicable, any Catch-Up Contributions.

2.11 RECHARACTERIZED AND RECONVERTED CONTRIBUTIONS.

(a) Recharacterization of Contributions. Pursuant to the rules set forth in Income Tax Regulations §1.408A-5, a Participant (or a Participant's executor, administrator, legal guardian or other duly authorized representative), may elect to transfer, in whole or in part, any contribution made by the Participant to a Traditional IRA or a

Roth IRA (the "First IRA") for a taxable year to another Traditional IRA or Roth IRA (the "Second IRA"). The Participant, for Federal income tax purposes, shall treat the transferred contribution as having been made to the Second IRA instead of the First IRA as of the same date and for the same taxable year as the contribution was made to the First IRA. The Custodian may be Custodian of either or both of the First and Second IRA. The Participant must notify the Custodian of the recharacterization and direct the transfer no later than the due date with extensions of the Participant's Federal income tax return for the taxable year for which the contribution was made to the First IRA. The amount that may be recharacterized is the amount contributed to the First IRA, adjusted for net income or net losses either by transferring the entire First IRA or pursuant to a calculation under Income Tax Regulation §1.408-4 (c)(2) (ii).

Amounts contributed to the First IRA in a tax-free transfer may not be recharacterized except for amounts erroneously rolled over or transferred from a Traditional IRA to a SIMPLE IRA. Employer contributions, including employee elective deferrals to a SEP, SAR-SEP or SIMPLE, may also not be recharacterized. However, amounts rolled over or converted from a SEP, SAR-SEP or SIMPLE IRA to a Roth IRA may be recharacterized back to the SEP, SAR-SEP or SIMPLE IRA, respectively. Amounts treated as excess IRA contributions for a prior year and deemed to be current-year contributions for purposes of Code Section 4973 may not be recharacterized.

All recharacterizations in which a Morgan Stanley Traditional IRA or Roth IRA is the Second IRA, shall be subject to such minimum balance requirements as may be specified by Morgan Stanley.

(b) Reconversions of Recharacterized Amounts. Pursuant to the rules set forth in Income Tax Regulations §1.408A-5 (Q&A9), an amount that has been rolled over or converted from a Traditional IRA or a SIMPLE IRA to a Roth IRA and transferred back to a Traditional or SIMPLE IRA by means of a recharacterization, may not be reconverted to a Roth IRA before the later of (i) the beginning of the next following taxable year, or (ii) 30 days after the date on which the amount was transferred back to the Traditional or SIMPLE IRA by means of the recharacterization. Any amount previously converted must be adjusted for subsequent net income to determine the amount subject to this limit on subsequent reconversions.

(c) Valuation of Recharacterized and Reconverted Assets. Requests to recharacterize or reconvert an Account will be processed as soon as practicable after being received in a form acceptable to the Custodian. Due to the volume of such requests and the different processes followed to transfer or liquidate different assets held in an Account, the recharacterization or reconversion may not begin for some period of time and, once begun, may take place in a series of transactions over an additional period of time. The value of Account assets transferred or liquidated in connection with a recharacterization or reconversion will be determined as of the close of business on the date of transfer, or, if liquidated, using the liquidation price received. Due to market fluctuations, the value of Account assets used for income tax reporting purposes or to determine the number of shares of a security that must be liquidated and transferred, may vary from the value on the date the request is made. Morgan Stanley will not be responsible for any market fluctuations that affect the Participant's taxable income or the number of shares of a security needed to complete the recharacterization or reconversion.

Rollover IRAs that (1) qualify as conduit IRAs under Code Section 408(d)(3)(A)(ii), (2) are rolled over or converted to a Roth IRA, and (3) are subsequently recharacterized to a Rollover IRA do not lose their status as conduit IRAs solely because of the conversion and recharacterization.

2.12 PRE-2011 CONTRIBUTIONS. Contributions for any taxable year beginning before January 1, 2011, including contributions made in 2011 for the 2010 taxable year, may be made to an Account established under this Plan but shall be made, if at all, pursuant to applicable provisions of the Code in effect for such taxable year.

Article III — Investments

3.1 DIRECTION BY PARTICIPANT. Each Participant (or the Participant's duly authorized representative) shall direct the Custodian with respect to the investment and reinvestment of Account assets (contributions and earnings thereon). Such direction shall include investments available for acquisition through the Custodian in its regular course of business and approved by the Custodian for investment under the Plan. The Custodian will not have discretionary authority or control with respect to the investment of the Account assets, will not provide investment advice that will serve as a primary basis for the investment decisions of the Participant's Account, and will not be deemed a fiduciary of the Account, as such term is defined under Code Section 4975(e)(3) or Section 3(21) of the Employee Retirement Income Security Act of 1974 ("ERISA"), if applicable. The Custodian is not responsible for reviewing the assets in the Participant's Account, or for making recommendations on acquiring, retaining or selling any assets. Uninvested cash, dividends and distributions on shares of mutual funds or other investments held in the account that are paid in cash will be invested along with other cash balances (see Cash Balances, below.)

3.2 DELEGATION OF INVESTMENT RESPONSIBILITY. The Participant (or the Participant's duly authorized representative) may delegate the authority to invest all or a portion of an Account to an agent or attorney-in-fact, including but not limited to a division or affiliate of the Custodian, by notifying the Custodian in writing on a form acceptable to the Custodian of the delegation of such authority, including the name of the person or persons to whom such authority, and any limitations on such authority, is delegated and the assets with respect to which such agent or attorney-in-fact shall direct investments. The Custodian shall follow the directions of such agent or attorney-in-fact and shall be under no duty to review or question any direction, action or failure to direct or act of such agent or attorney in fact. The Participant may revoke the agent or attorney-in-fact's authority at any time by notifying the Custodian in writing of such revocation. The Custodian shall not be liable in any way for transactions initiated prior to receipt of such notice of revocation. The Participant (or the Participant's duly authorized representative) is responsible at all times for directing the investment of assets in the Account.

3.3 CASH BALANCES. The Participant authorizes the deposit or investment of cash balances in the Account in:

(a) deposit accounts with Morgan Stanley Bank, N.A. and/or any other banking affiliate of the Custodian that bear a reasonable rate of interest;

(b) any other sweep investment vehicle specified either in the Adoption Agreement or an agreement applicable to the sweep investment vehicle for the Account; or

(c) any sweep investment vehicle otherwise made available to the Account and disclosed to the Participant.

The Custodian may amend this Section 3.3, or change the sweep investment vehicle available to the Account, at any time with notice to the Participant.

3.4 UNINVESTED CASH. The Custodian may hold uninvested cash of amounts less than $1.00 in a Participant's Account.

3.5 PROHIBITION ON INVESTMENT IN LIFE INSURANCE AND COLLECTIBLES. No portion of a Participant's Account may be invested in life insurance contracts or in any work of art, rugs, antiques, metals, gems, stamps, coins, alcoholic beverages or any other tangible personal property classified by the Secretary of the Treasury or his delegate as a collectible within the meaning of Code Section 408(m), except that Account assets may be used to purchase certain coins and bullion described in Code Section 408(m)(3) if the Custodian agrees to hold such assets pursuant to the requirements of Code Section 408 (m).

3.6 MORGAN STANLEY ADVISORY SERVICES. The Participant may enroll the Account in a Morgan Stanley advisory service or program as provided under a separate agreement.

Article IV — Distributions

4.1 IN GENERAL. A Participant (or the Participant's duly authorized representative) may direct a distribution of all or a portion of the Participant's Account at any time and from time to time in such form and in such manner as is acceptable to the Custodian A distribution shall be made only upon notification to the Custodian pursuant to Section 4.7 below.

4.2 METHODS OF DISTRIBUTION. Subject to Section 4.3, the Participant (or the Participant's duly authorized representative) or, if the Participant is deceased, a Beneficiary, may elect to have the balance in the Participant's Account distributed, in cash or in kind, as follows:

(a) In a single lump sum payment;

(b) In equal or substantially equal installments at least annually over a period certain not extending beyond the life or life expectancy of the Participant or Beneficiary or the joint lives or joint life expectancies of the Participant and Beneficiary;

(c) By purchase of an annuity contract which satisfies the requirements of Code Sections 408(b)(1), (3) and (4) and provides for equal or substantially equal payments, at least annually, over the life or life expectancy of the Participant or Beneficiary or the joint lives or joint life expectancies of the Participant and Beneficiary, and which meets the requirements set forth in Section 1.401(a)(9)-6 of the Income Tax Regulations including the incidental death benefit requirements set forth in Section 1.401(a)(9)-6 (Q&A-2((e)) of the Income Tax Regulations or any successor;

(d) In monthly, quarterly or annual installments in such amount(s) as the Participant or Beneficiary may request; or

(e) Any combination of the above (subject to the requirements of the Code).

(f) Subject to the minimum distribution requirements set forth in Section 4.3 below, unless an annuity contract is purchased and distributions from the contract have commenced, the Participant or Beneficiary may change the method of distribution at any time before benefits are completely distributed by filing a new election with the Custodian prior to the effective date of the change in method of distribution.

Notwithstanding the foregoing, a Participant who meets the requirements of Code Sections 408A(c)(3)(B) and (d)(3), may effect a distribution by converting the Participant's IRA to a Roth IRA.

4.3 MINIMUM DISTRIBUTION REQUIREMENTS. Notwithstanding any provision of this Plan to the contrary, the distribution of a Participant's interest in an Account shall be made in accordance with the requirements of Code Section 408(a)(6) and the regulations thereunder. If distributions are made from an annuity contract purchased from an insurance company, distributions thereunder must satisfy the requirements set forth in Section 1.401(a)(9)-6 of the Income Tax Regulations. If this is an Inherited IRA, Section 4.3 (a), (b) and (c) below do not apply.

(a) Required Beginning Date. Distributions from an Account must be made for each year beginning with the year in which the Participant attains age 70½, and then for each succeeding year including the year of the participant's death. The first such required distribution must be made no later than April 1 of the year following the year in which the Participant attains age 70½ (the "required beginning date") and, for each succeeding year, no later than December 31 of each such year. Each year for which a required distribution must be taken is referred to below as a "distribution calendar year."

(b) Required Minimum Distribution. During the Participant's lifetime, the minimum amount which must be distributed each year ("required minimum distribution") shall be not less than the quotient obtained by dividing the value of the IRA as of December 31 of the preceding year by the lesser of:

(i) the distribution period in the Uniform Lifetime Table set forth in Q&A-2 of Section 1.401(a)(9)-9 of the Income Tax Regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(ii) if the sole designated Beneficiary is the Participant's surviving spouse and such spouse is more than 10 years younger than the Participant, the number in the Joint and Last Survivor Table set forth in Q&A-3 of Section 1.401(a)(9)-9 of the Income Tax Regulations, using the ages of the Participant and the Participant's spouse as of their birthdays in the distribution calendar year.

(iii) For purposes of paragraphs (b)(i) and (b)(ii) the "value of the IRA" is the fair market value of the assets held in the IRA plus the value of any outstanding rollover, transfer or recharacterization under Q&A-7 and -8 of Section 1.408-8 of the Income Tax Regulations.

(c) In accordance with Q&A-9 of Section 1.408-8 of the Income Tax Regulations, the required minimum distribution must be calculated separately for each IRA but the aggregate of all such amounts may be distributed from any one or more IRAs, regardless of whether the IRAs are established with the Custodian.

4.4 DEATH BENEFITS.

(a) Death On or After Required Beginning Date. If a Participant dies on or after the Participant's required beginning date but before the Participant's entire interest in the Account has been distributed, the remaining portion of such interest shall be distributed at least as rapidly as follows:

(i) If the designated Beneficiary is someone other than the Participant's surviving spouse, the remaining interest will be distributed over the longer of: (A) the Beneficiary's life expectancy, determined using the Beneficiary's age as of his or her birthday in the year following the year of the Participant's death; or (B) over the period described in (a)(iii) below.

(ii) If the Participant's sole designated Beneficiary is the Participant's surviving spouse, the remaining interest will be distributed over the longer of: (A) such spouse's life expectancy determined using the spouse's age as of his or her birthday in each distribution calendar year following the year of the Participant's death; or (B) over the period described in paragraph (a)(iii) below. Any interest remaining after such spouse's death will be distributed over such spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death, or, if the distributions are being made over the period described in paragraph (a)(iii) below, over such period.

(iii) If there is no designated Beneficiary or, if applicable by operation of paragraph (a)(i) or (a)(ii) above, the remaining interest will be distributed over the Participant's remaining life expectancy determined in the year of the Participant's death.

(iv) The amount to be distributed each year under paragraph (a)(i), (ii) or (iii), beginning with the first distribution calendar year following the calendar year of the Participant's death, is the quotient obtained by dividing the value of the IRA as of the end of the preceding year by the remaining life expectancy specified in such paragraph. Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's or Participant's age in the year specified in paragraph (a)(i), (ii) or (iii) and reduced by 1 for each subsequent year.

(b) Death Before Required Beginning Date. If the Participant dies before the required beginning date, his or her entire interest will be distributed at least as rapidly as follows:

(i) If the designated Beneficiary is someone other than Participant's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Participant's death, over the remaining life expectancy of the designated Beneficiary, with such life expectancy determined using the age of the Beneficiary as of his or her birthday in the year following the year of the Participant's death, or, if elected, in accordance with paragraph (b)(iii) below. If this is an Inherited IRA established for the benefit of a nonspouse designated beneficiary by a direct trustee-to-trustee transfer from a retirement plan of a deceased individual under Code Section 402(c)(11), then, notwithstanding any election made by the deceased individual pursuant to the preceding sentence, the nonspouse designated beneficiary may elect to have distributions made under this paragraph (b)(1) if the transfer is made no later than the end of the year following the year of death.

(ii) If the participant's sole designated Beneficiary is the participant's surviving spouse, the entire interest will be distributed, starting by either: (A) the end of the calendar year following the calendar year of the participant's death, or (B) at the election of the surviving spouse, the end of the calendar year in which the Participant would have attained age 70 1/2, if later, over such spouse's life expectancy, or if elected, in accordance with paragraph (b)(iii) below. If the surviving spouse dies before distributions are required to begin, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated Beneficiary's remaining life expectancy determined using such Beneficiary's age as of his or her birthday in the year following the death of the spouse, or if elected, will be distributed in accordance with paragraph (b)(iii) below. If the surviving spouse dies after distributions are required to begin, any remaining interest will be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death.

(iii) If there is no designated Beneficiary or, if applicable operation of paragraph (b)(i) or (b)(ii) above, the entire IRA will be distributed by the end of the calendar year containing the fifth anniversary of the Participant's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under (b) (ii) above).

(iv) The amount to be distributed each year under paragraph (b)(i) or (ii) is the quotient obtained by dividing the value of the IRA as of the end of the preceding year by the remaining life expectancy specified in such paragraph. For this purpose, the "value of the IRA" is the fair market value of the assets held in the IRA plus the value of any outstanding rollover, transfer or recharacterization under Q&A-7 and -8 of Section 1.408-8 of the Income Tax Regulations. Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's age in the year in which distributions must begin under paragraph (b)(i) or (ii) above, as applicable, and reduced by 1 for each subsequent year.

(c) The required minimum distributions payable to a designated beneficiary from this IRA may be withdrawn from another IRA the beneficiary holds from the same decedent in accordance with QAA-9 of Section 1.408-8 of the Income Tax Regulations.

(d) Trust as Beneficiary. If the requirements of Section 4.5 below are met with respect to a trust named as Beneficiary by October 31 of the calendar year immediately following the calendar year in which the Participant died, then a trust Beneficiary (and not the trust itself) will be treated as a Designated Beneficiary for purposes of determining the distribution period under Code Section 401(a)(9) of the Income Tax Regulations.

4.5 TRUST AS BENEFICIARY.

If the following requirements are met with respect to a trust named as Beneficiary of the IRA, then the trust Beneficiaries (and not the trust itself) will be treated as designated Beneficiaries for purposes of determining the distribution period under Code Section 401(a)(9):

(a) The trust is valid under state law, or would be but for the fact that there is no corpus;

(b) The trust is irrevocable or will, by its terms, become irrevocable upon the death of the Participant;

(c) The Beneficiaries of the trust who are Beneficiaries with respect to the trust's interest in the IRA are identifiable from the trust instrument within the meaning of Section 1.401(a)(9)-4, Q&A-1 of the Income Tax Regulations;

(d) The Participant or the Trustee has provided to the Custodian either:

(i) A copy of the trust instrument, and agrees that if the trust instrument is amended at any time in the future, the Participant will, within a reasonable time, provide to the Custodian a copy of each such amendment, or

(ii) the following documentation:

(A) a list of all trust Beneficiaries (including contingent and remainder Beneficiaries with a description of the conditions of their entitlement) for purposes of Code Section 401(a)(9);

(B) a certification, to the best of the Participant's knowledge, that (A) is correct and complete, and that the requirements of 4.5 (a), (b), and (c) are satisfied; and

(C) an agreement that, if the trust instrument is amended at any time in the future, the Participant will, within a reasonable time, provide to the Custodian corrected certifications to the extent that the amendment changes any information previously certified; and agreement to provide a copy of the trust instrument to the Custodian upon demand.

(iii) The documents described in (i) and (ii) above may be provided by the Participant or by the Trustee of the trust at any time starting with the date on which the trust is designated as a Beneficiary, but not later than October 31 of the year following the year of Participant's death. However, if the sole Beneficiary of the trust is the Participant's spouse and the spouse is more than ten years younger than Participant, the documents described in (i) and (ii) above must be provided to the Custodian no later than the earlier of (A) the Participant's required beginning date or (B) October 31 of the year following the year of the Participant's death.

4.6 MISCELLANEOUS RULES

(a) Surviving Spouse's Elections. If the sole designated Beneficiary is the individual's surviving spouse, the spouse may elect to treat the IRA as his or her own Traditional IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA, makes a Rollover Contribution from the Account, or fails to take required minimum distributions by the relevant required beginning date described in Section 4.4(a)(ii) or (b)(ii) above.

(b) Determination of Designated Beneficiary. Under Code Section 401(a)(9)(E) and Section 1.401(a)(9)-4 of the Income Tax Regulations, the term "Designated Beneficiary" refers to an individual or individuals designated as the Beneficiary or Beneficiaries by the Participant or by operation of this agreement, as of the Participant's date of death, who remain Beneficiaries as of September 30 of the calendar year following the calendar year of the Participant's date of death. Any person who was a Beneficiary as of the date of the Participant's death, but is not a Beneficiary as of that September 30 (e.g., because the person receives the entire benefit to which the person is entitled before that September 30), is not taken into account in determining the Participant's Designated Beneficiary for purposes of determining the distribution period for Required Minimum Distributions after the Participant's death.

(i) Death of Beneficiary prior to September 30. If an individual who is a Beneficiary as of the date of the Participant's death dies during the period between the Participant's date of death and September 30 of the year following the year of the Participant's death without having disclaimed his or her interest, that individual continues to be treated as the Designated Beneficiary for purposes of determining the distribution period.

(ii) Disclaimer by Beneficiary prior to September 30. If a Beneficiary disclaims his or her interest prior to September 30 of the year following the year of the Participant's death, the disclaimant is not taken into account in determining the employee's Designated Beneficiary, provided the disclaimer satisfies Code Section 2518.

(A) Multiple Beneficiaries:

(I) General Rule. If more than one individual is designated as a Beneficiary as of the applicable date for determining the Designated Beneficiary under A-4 of 1.401(a)(9)-4, the Designated Beneficiary with the shortest life expectancy will be the designated Beneficiary for purposes of determining the applicable distribution period.

(II) Separate Accounts. If separate accounts are established with respect to the multiple Beneficiaries, each Beneficiary may determine his or her required minimum distribution based upon his or her individual life expectancy as opposed to using the life expectancy of the Beneficiary whose life expectancy is shortest. Separate accounts can be established at any time, either before or after the Participant's required beginning date. However, the applicable distribution period for each such separate account is determined disregarding the other Beneficiaries of the Participant's benefit only if the separate account is established on a date no later than the last day of the year following the calendar year of the Participant's death. The separate accounts will be recognized for required minimum distribution purposes only after the later of the year of the Participant's death (whether before or after the required beginning date) and the year the separate accounts are established. If separate accounts are established, the separate accounting must allocate all post-death investment gains or losses for the period prior to the establishment of the separate accounts on a pro rata basis in a reasonable and consistent basis among the separate accounts for the different Beneficiaries. The separate accounting must also allocate any post-death distributions to the separate account of the Beneficiary receiving such distributions.

(B) Notice to Custodian. By September 30 of the year following the calendar year of the Participant's death, the Custodian must receive notice of the names of the Designated Beneficiaries as well as notice of any separate accounts to be established for such Beneficiaries.

4.7 DIRECTIONS TO CUSTODIAN. All directions to the Custodian for the distribution of property held in an Account must be in writing on a form acceptable to the Custodian or in such other medium as shall be acceptable to the Custodian. Such directions shall include but not be limited to an identification of the Account, the amount of cash or specific securities or other property to be distributed, the order in which securities or other property held in the Account shall be liquidated, if necessary, the nature or purpose of the distribution, the party to whom the distribution shall be made, whether income taxes are to be withheld and such other representations as the Custodian may reasonably require.

4.8 EFFECT OF DISTRIBUTION. The Custodian shall have no obligation to determine whether a distribution is permissible under the Code or any other applicable law. The Custodian may reasonably rely on a representation by the Participant or Beneficiary that a distribution is so permitted. The Custodian may reasonably rely on directions from the Participant, Beneficiary or a duly authorized representative of either with respect to the amount and timing of minimum required distributions or with respect to a representation that the minimum required distribution for the Account has been received from another Traditional or SIMPLE IRA. The Custodian shall be entitled to withhold from delivery and to reserve such property as it deems reasonably necessary for the payment of all of its unpaid fees and other expenses and/or for the payment of any other liability or charge against the Account. The Custodian shall not be liable for distributed Account assets removed from the Account at the direction of the Participant, Beneficiary, the duly authorized representative of either, or a court or government agency of competent jurisdiction.

Article V — Transfers

5.1 IN GENERAL. Cash, securities or other property may be transferred to or from an Account as follows:

(a) Cash, securities or other property held on the Participant's or Beneficiary's behalf by the custodian or trustee of another Traditional IRA or a SIMPLE IRA may be transferred to the Custodian and held in an Account for the benefit of the Participant or Beneficiary but only to the extent that such cash, securities or other property meets the requirements of the Custodian with respect to the administrative feasibility of accepting such transfers. The Custodian is not obligated to accept (and may reject or refuse) any transfer.

(b) Upon the direction of the Participant, Beneficiary or the duly authorized representative of either, made in writing in a form acceptable to the Custodian, or such other medium as may be acceptable to the Custodian, the Custodian shall transfer cash, securities or other property held in the Participant's Account to the trustee or custodian of an IRA established by or for the benefit of the Participant or the Participant's spouse.

(c) A Participant may, upon written direction to the Custodian accompanied by a copy of the decree or instrument described herein, transfer all or any part of the Participant's Account to a spouse or former spouse under a decree of divorce or separate maintenance or an instrument incident thereto as described in Code Section 71(b)(2)(A).

5.2 EFFECT OF TRANSFER. Upon receipt of a proper direction to transfer all or part of the property held in an Account, the Custodian shall act upon such direction within a reasonable period to the extent possible. The Custodian shall be entitled to withhold from delivery and to reserve such property as it deems reasonably necessary for the payment of all of its unpaid fees and other expenses and/or for the payment of any other liability or charge against the Account. The Custodian shall have no obligation to ascertain whether any transfer made under this Article is permissible under the Code or any other applicable law and may reasonably rely upon any representation by the Participant or Beneficiary that the transfer does not violate the terms of the Code or any other applicable law. The Custodian shall not be liable for transferred Account assets removed from the Account at the direction of the Participant, Beneficiary, the duly authorized representative of either or a court or government agency of competent jurisdiction.

Article VI — Power, Duties and Obligations of Custodian

6.1 NO INVESTMENT DISCRETION. Except as otherwise agreed in writing between the Participant and the Custodian, or an affiliate of the Custodian, the Custodian shall have no discretion to direct any investments of an Account, and is merely authorized to acquire and hold the particular investments specified by the Participant. The Custodian is not, however, obligated to act upon each and every investment direction and may, within its normal and customary practices, decline to act upon a given investment direction. Notwithstanding any other provision herein to the contrary, the Custodian may refuse to follow instructions which it reasonably believes will result in a transaction prohibited by Code Section 4975 or by Section 3.5 of this plan.

6.2 INVESTMENT POWERS. The Custodian may hold any securities acquired hereunder in the name of the Custodian without qualification or description, in the name of any nominee or by or through a central clearing corporation or depository. The Custodian shall have the following powers and authority with respect to the administration of each Account:

(a) To invest and reinvest the assets of the Account without regard to whether such investment is authorized by the laws of any jurisdiction for fiduciary investments;

(b) To exercise, buy or sell covered listed options, conversion privileges or rights to subscribe for additional securities and to make payments therefore;

(c) To consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, transfers or other changes affecting securities held by the Custodian;

(d) To make, execute and deliver as Custodian any and all contracts, waivers, releases or other instruments in writing necessary or proper for the exercise of any of the foregoing powers;

(e) To grant options to purchase securities held by the Custodian or to repurchase options previously granted with respect to securities held by the Custodian;

(f) The Custodian shall exercise any rights of a shareholder (including voting rights) with respect to any securities held in the Account only in accordance with the instructions of the Participant, pursuant to any applicable rules of the Securities and Exchange Commission and the national exchanges of which the Custodian is a member;

(g) To invest and reinvest the assets of the Account in deposits of an affiliate or affiliates which bear a reasonable rate of interest.

6.3 ADMINISTRATIVE POWERS.

(a) The Custodian shall have the power to take such actions as are reasonable and necessary to carry out its duties under the Plan.

(b) The Custodian shall be under no duty to take any action other than as specified in the Plan unless the Participant or Beneficiary furnishes the Custodian with written instructions, agrees to indemnify and hold the Custodian harmless from any claims arising out of such instructions and such instructions are specifically agreed to in writing by an authorized representative of the Custodian.

(c) The Custodian may consult with and employ suitable agents and advisors, including but not limited to legal counsel, accountants and tax advisors, with respect to its duties under the Plan and applicable law.

(d) The Custodian may mail notices to the Participant or Beneficiary to the last known address of the Participant.

(e) The Custodian shall keep such records and shall file with the appropriate government agencies, including but not limited to the Internal Revenue Service, such reports, returns and other information concerning the Account as may be required of it by law or regulation. The Custodian may pay such taxes as are owed by the Account as an expense of the Account.

(f) The Custodian may liquidate assets held in an Account to make distributions or transfers or pay fees, expenses, liabilities, charges or taxes assessed against the Account. If the Custodian must liquidate assets and the Participant fails to instruct the Custodian as to the liquidation of such assets, assets will be liquidated in the following order to the extent held in the Account:

(i) Shares held in the Morgan Stanley Liquid Asset Fund, Inc. sweep vehicle or other money market mutual fund sweep vehicle or assets held in savings accounts.

(ii) Amounts held in the Bank Deposit Program sweep vehicle or any other sweep vehicle specified pursuant to Section 3.3.

(iii) Shares held in a money market mutual fund acquired through direct purchase.

(iv) Publicly traded securities in such order as the Custodian deems reasonable.

(v) Other investments in such order as the Custodian deems reasonable.

(vi) Limited Partnership interests.

6.4 RECORDS AND REPORTS.

(a) The Custodian shall keep accurate records of all contributions, receipts, investments, distributions, disbursements and other transactions of the Account.

(b) Periodically, but not less than each calendar year, and on such other dates as may be prescribed by law or regulation, the Custodian shall deliver a written Account Statement to the Participant or, if the Participant is deceased, the Beneficiary, by mail at the Participant's or Beneficiary's last known address, electronically (if consented to by the Participant or otherwise permitted by law or regulation) or by such other means as may be allowed by law, regulation or consent of the Participant. Such statement shall reflect:

(i) receipts, disbursements and other Account transactions during the calendar year (or such other period).

(ii) assets and liabilities of the Account as of the last day of the calendar year (or such other period).

(iii) such other information as may be required by law or regulation, including but not limited to such information concerning required minimum distributions as is prescribed by the Commissioner of Internal Revenue.

Unless the Participant or Beneficiary files a written statement of exceptions or objections to the statement with the Custodian within 60 days after the mailing of the statement the Participant shall be deemed to have approved such statement and the Custodian shall be released from all liability to anyone (including any Participant's spouse or Beneficiary) with respect to all matters set forth in the statement. No person other than a Participant, the spouse of a Participant or Beneficiary may require an accounting.

(c) The Custodian shall also provide the Participant with summary descriptions or other reports as may be required under Code Section 408(i) or other applicable law.

(d) If an individual retirement arrangement is established by an employer or employee association, as described in Section 1.408-2(c)(3) of the Income Tax Regulations, the Custodian shall maintain separate records for the interest of each individual participating in the arrangement.

6.5 RIGHT TO REQUEST JUDICIAL ASSISTANCE. Anything to the contrary contained in the Client Agreement regarding arbitration notwithstanding, the Custodian shall have the right at any time to apply to a court of competent jurisdiction for judicial settlement of its accounts or for determination of any questions or construction that may arise or for instructions. The only necessary party defendant to any such action shall be the Participant, or if the Participant is deceased, the Beneficiary, but the Custodian may join any other person or persons as a party defendant. The costs, including attorney's fees, of any such proceeding shall be charged to the Account as an administrative expense under Article X.

6.6 SCOPE OF CUSTODIAN'S DUTIES. The Custodian shall only have the duties that are specifically set forth in this Plan. The Custodian shall have no duty to ascertain whether contributions, distributions or transfers comply with the Plan or the Code. The Custodian shall not make any investments or dispose of any investments held in an Account, except upon the direction of the Participant or in accordance with Section 6.3(f). The Custodian shall be under no duty to question any such directions, to review any securities or other property held in an Account, or to make suggestions to the Participant with respect to the investment, retention or disposition of any assets held in an Account. The Custodian shall have no duty to prosecute or defend any legal action with respect to an Account unless the Custodian is fully indemnified to its satisfaction and agrees to do so in a writing executed by an authorized representative of the Custodian.

6.7 SCOPE OF CUSTODIAN'S LIABILITY. The Custodian shall not be liable for any loss of any kind which may result from any action taken by it in accordance with the directions of the Participant or the Participant's duly authorized representative or from any failure to act because of the absence of any such directions. The Custodian is entitled to act upon any instrument, certificate or form it believes is genuine and believes is signed or presented by the proper person or persons, and the Custodian need not investigate or inquire as to any statement contained in such document but may accept it as true and accurate.

6.8 RIGHT TO ADJUDICATE CLAIMS OF MULTIPLE BENEFICIARIES.

Should two or more Beneficiaries of an IRA give conflicting instructions or should two or more individuals or entities raise conflicting claims that they are each a Beneficiary of an IRA, the Custodian is authorized in its sole discretion and without liability because of fluctuating market conditions or otherwise to do any one or more of the following: (a) select which instructions to follow or claims to honor and which to disregard; (b) suspend all activity in the IRA, refuse to buy, sell or trade any security or commodity, and refuse to disburse any monies or properties, except upon written instructions signed by all Beneficiaries or claimants; (c) close the IRA and send any and all securities, monies or other property by ordinary mail to the owner and address of record, reporting such transaction as a distribution to the owner of record; or (d) take action pursuant to Section 6.5 above including but not limited to an interpleader action in any appropriate court, provided that the filing of any action shall not be deemed a waiver of the Custodian's right to arbitrate under the Client Agreement and Section 11.7 below.

Article VII—Duties of the Participant or Beneficiary

7.1 DUTIES UNDER THE CODE. The Participant, or if the Participant is deceased, the Beneficiary, agrees to fulfill any obligations now or hereafter imposed on the Participant or Beneficiary by the Code or other applicable law or regulation. To the extent the Custodian performs such obligations at the request of the Participant or Beneficiary, the Participant or Beneficiary agrees to pay the Custodian such reasonable fee as the Custodian may charge for its services. Such fee shall be included with the fees charged pursuant to Article X hereof.

7.2 FURNISHING INFORMATION. The Participant, or if the Participant is deceased, the Beneficiary, shall furnish the Custodian with such information and documents as the Custodian may reasonably require. If the Participant or Beneficiary fails to furnish such information or documents the Custodian may, at its sole discretion, terminate the Account and distribute to the Participant or Beneficiary, in a lump sum payment, an amount equal to the assets in the Account less an amount deemed reasonably necessary by the Custodian for the payment of all unpaid fees, expenses, charges, taxes or other liabilities of the Account, whether or not liquidated.

7.3 INDEMNIFICATION OF CUSTODIAN. The Participant, or if the Participant is deceased, the Beneficiary, shall indemnify and hold the Custodian harmless from any liability which may arise hereunder except liability arising from the gross negligence or willful misconduct of the Custodian.

Article VIII—Resignation or Removal of Custodian

8.1 RESIGNATION OR REMOVAL. The Custodian may resign at any time by giving at least 30 days written notice to the Participant, or, if the Participant is then deceased, to the Participant's Beneficiary, and may, but is not required to, designate a qualified successor Custodian upon such notice of resignation. The appointment of the successor Custodian shall become effective at the time the resigning Custodian ceases to act. The Custodian may be removed by a Participant (or, if applicable, Participant's Beneficiary) at any time by giving at least 30 days written notice to the Custodian. The notice period may be waived by the party entitled to the notice.

8.2 SUCCESSOR CUSTODIAN OR TRUSTEE. Upon the resignation or removal of the Custodian, the Participant, or the Beneficiary if the Participant is deceased, shall either accept the Custodian's appointment of a successor or appoint a successor Custodian. The Participant or, if applicable, the Beneficiary, may only designate, as successor Custodian, a bank or other person or institution approved by the Secretary of the Treasury to hold IRA assets. In the event the Custodian resigns and appoints a successor, the Participant's failure to appoint a successor Custodian, on or before the effective date of such resignation and appointment (as set forth in the notice described in Section 8.1 above), shall constitute the Participant's consent to the successor appointed by the Custodian. The successor shall have all rights, powers, privileges, liabilities and duties of the Custodian. Upon acceptance of appointment by the successor, the Custodian shall assign, transfer and deliver to the successor all assets and liabilities of the Account. The Custodian is authorized, however, to reserve such funds as it deems advisable to provide for the payment of expenses, fees, taxes and other liabilities of the Account, liquidated or not, then unpaid or to be incurred in connection with the settlement of the Custodian's Account, and any balance remaining after the settlement of its account shall be paid to the successor Custodian. If no qualified successor is designated by the Custodian or the Participant (or Beneficiary, if applicable) within 30 days of the notice of resignation or removal, the Custodian may distribute to the Participant (or Beneficiary, if applicable), the entire interest in the Account in a lump sum.

8.3 SUBSTITUTION OF CUSTODIAN. The Custodian shall substitute another trustee or custodian in place of the Custodian upon notification by the Internal Revenue Service that such substitution is required because the Custodian has failed to comply with the requirements of Section 1.408-2(e) of the Income Tax Regulations, or is not keeping such records, making such returns, or rendering such statements as are required by said regulations.

Article IX — Amendment and Termination of the Plan

9.1 AMENDMENT OR TERMINATION. The Custodian, or any successor custodian or trustee, may amend or terminate this Plan or related agreements, including the Adoption Agreement, at any time provided that notice of such amendment or termination be provided to the Participant in writing. The Participant shall be deemed to have consented to any such amendment unless within 30 days after such notice, the Participant terminates (or transfers) his or her account. No such amendment, however, shall deprive any Participant, spouse of a Participant or Beneficiary of any benefit to which he or she was entitled under the Plan from contributions made prior to the amendment, unless the amendment is necessary to conform the Plan or related agreements to the current or future requirements of the Employee Retirement Income Security Act of 1974, as amended, the Code or other applicable law, regulation or ruling, in which case the Custodian is expressly authorized to make amendments that are necessary for such purposes retroactively to the later of the effective date of the Plan or the effective date of such legal requirements.

9.2 DISTRIBUTION ON TERMINATION. If the Plan is terminated for any reason by the Custodian, the Custodian shall distribute the balance held in each Account for the benefit of a Participant, spouse of a Participant, or Beneficiary to a successor custodian or trustee designated by the Custodian, the Participant, the spouse of the Participant, or the Beneficiary on whose behalf the Account is held, and, if no such successor is designated, in a lump sum directly to the individual, provided, however, that the Custodian may exclude from any such distribution an amount deemed reasonably necessary by the Custodian for the payment of all unpaid fees, expenses, taxes, charges and other liabilities of the Account, liquidated or not.

Article X — Fees and Expenses

10.1 COMPENSATION OF THE CUSTODIAN. The Custodian shall be entitled to reasonable compensation for its services hereunder and to reimbursement for all reasonable expenses incurred in maintaining the Account. The Custodian shall notify the Participant in writing of its fees and of any changes in fees. The Participant and the Custodian agree that the Custodian has the absolute right to amend, revise or substitute fee schedules identified or referred to in the Disclosure Statement, and no amendment, revision or substitution of a fee schedule shall be deemed an amendment of this Agreement.

10.2 PAYMENT OF FEES AND EXPENSES. The Participant is responsible for paying any maintenance, custodial, or related administrative charges the Custodian might reasonably require and disclose in connection with the process of opening, or maintaining the Account. Brokerage fees, commissions and related expenses shall be paid in the customary manner. In the event an Account is terminated or transferred, a termination or transfer fee shall be due and payable on the date of the termination or transfer. Reimbursement for expenses shall be due and payable upon demand. The Custodian reserves the right, in its sole discretion, to elect to discount or waive certain fees, including but not limited to IRA maintenance fees, for certain customers. To effect the payment of fees from an Account, the Custodian will liquidate assets in accordance with Section 6.3(f).

10.3 DEDUCTION OF FEES AND EXPENSES. Notwithstanding any other provisions of this Plan, the Participant's Account shall be subject to the reasonable fees, charges and expenses of the Custodian, as described in the Plan, the Disclosure Statement, and other fee schedules and documentation, as may be amended from time to time. The Custodian may deduct from and charge against an Account all reasonable fees and expenses incurred in maintaining the Account that have not been timely paid by the Participant. The Custodian may allocate such fees and expenses among a Participant's Accounts at such time or times and in such a manner as the Custodian, in its reasonable discretion, determines. To effect the payment of fees and expenses from an Account, the Custodian may liquidate assets held in the Account in accordance with Section 6.3(f).

Article XI — Miscellaneous

11.1 PROHIBITED TRANSACTIONS. Notwithstanding anything contained herein to the contrary, no Participant, spouse of a Participant or Beneficiary shall be entitled to borrow from or use a use a Participant's Account, or any portion thereof, as security for a loan, nor shall the Participant, Custodian or any other person or institution engage in any prohibited transaction within the meaning of Code Section 4975 with respect to any Participant's Account.

11.2 PROHIBITION AGAINST ASSIGNMENT OF BENEFITS. Except to the extent otherwise required by law, none of the amounts held in an Account on behalf of any Participant, spouse of a Participant or Beneficiary shall be subject to the claims of any of their creditors nor shall any Participant, spouse of a Participant, or Beneficiary have the right to anticipate, sell, pledge, option, encumber, or assign, voluntarily or involuntarily, any of the benefits, payments or proceeds to which he or she is or may be entitled under the Plan.

11.3 GOVERNING LAW. The Plan is intended to qualify as an individual retirement account under Code Section 408 and shall be governed by and interpreted under the laws of the United States, except that, to the extent not preempted by Federal law, the Plan and all Accounts established hereunder shall be governed by the laws of the State of New York.

11.4 ACCOUNT ONLY SOURCE OF BENEFITS. Each Participant, spouse of a Participant, or Beneficiary shall look solely to the assets of the Account held on his or her behalf for the payment of any benefits to which he or she is entitled under this Plan.

11.5 COMMINGLING. The assets of an Account will not be commingled with other property except in a common trust fund or common investment fund under Code Section 408(a)(5).

11.6 EXCLUSIVE BENEFIT. This Account is established for the exclusive benefit of the Participant or his/her Beneficiary or Beneficiaries. The interest of the Participant in the balance of this Account shall at all times be nonforfeitable.

11.7 ARBITRATION. Any claims or controversies with the Custodian related to this Account are subject to arbitration in accordance with the Client Agreement executed by or on behalf of the Participant.

Morgan Stanley Traditional IRA Disclosure Statement. (As of October 1, 2012)

This Disclosure Statement describes the Morgan Stanley IRA established under the Morgan Stanley Individual Retirement Plan (the "Plan") and provides an overview of the Federal tax rules that apply to IRAs. This Disclosure Statement applies to all Morgan Stanley IRAs on and after October 1, 2012. You should carefully review the following information, and discuss it with your tax advisor. You may also want to review IRS Publication 590 (Individual Retirement Arrangements) for further information on IRAs generally.

Morgan Stanley Smith Barney LLC ("Morgan Stanley") or an affiliate or successor of Morgan Stanley will act as "Custodian" for your IRA. Effective May 1, 2010, Morgan Stanley Smith Barney LLC commenced acting as Custodian of IRAs.

By (i) signing the Adoption Agreement and Client Agreement and (ii) making a contribution, you complete Morgan Stanley's requirements to establish an IRA custodied with Morgan Stanley and thereby become a "Participant" in the Plan.

You may establish an IRA for yourself or for your spouse provided you or your spouse meet the eligibility rules described below and you or your spouse are more than 18 years old. The duly authorized representatives of certain individuals or their estates may also establish an IRA on behalf of such individuals. These representatives include a parent on behalf of a minor child, a legal guardian on behalf of an incapacitated adult or minor child, an executor or beneficiary of a deceased individual, an attorney-in-fact acting under a properly executed power of attorney and an employer who must establish an IRA to receive SEP or SAR-SEP contributions on behalf of an employee (current or former).

Please read this Disclosure Statement carefully to understand the legal requirements and Federal income tax considerations involved in maintaining an IRA. Morgan Stanley is required by Federal tax rules to provide this information to you. Your Financial Advisor or Private Wealth Advisor is available to answer any questions you may have. However, Morgan Stanley does not provide legal or tax advice. You are responsible for all decisions affecting your IRA. Morgan Stanley recommends that you consult your lawyer, accountant or other tax advisor if you have questions about the legal or tax consequences of your contributions to, investments by or distributions from your IRA.

The Morgan Stanley IRA is governed by the written terms of the Plan and the Adoption Agreement, both of which are included in this account-opening package. In case of a conflict between those documents and this Disclosure Statement or any other material describing the IRA, the Plan and Adoption Agreement will govern.

Please bear in mind when reading the Disclosure Statement that "you" refers to the Participant adopting the Plan and "we" or "us" refers to Morgan Stanley Smith Barney LLC as Custodian.

Capitalized terms used in this Disclosure Statement are defined either in Section XV below or in Article I of the Plan document.

I. Right of Revocation by Participant

(1) You may adopt an IRA by completing and signing an Adoption Agreement and Client Agreement. You have the right to revoke for a period of seven days from the earlier of (a) your establishing the Plan by signing the Adoption Agreement and Client Agreement or (b) funding the Plan.

(2) You may exercise your right to revoke by mailing or personally delivering a written notice of revocation within the seven-day period to Morgan Stanley, Retirement Plan Operations, 201 Plaza 2, 7th Floor Harborside Financial Center, Jersey City, New Jersey 07311. You will be treated as having revoked your IRA on either: (1) the date of the postmark (or if sent by certified or registered mail, the date of certification or registration) if you deposit your written notice in the United States mail in an envelope, or other appropriate wrapper, first class postage prepaid, properly addressed; or (2) the date you deliver your notice to a private delivery service recognized by the Internal Revenue Service ("IRS") for filing tax returns. This method of determining when you have revoked your IRA, or taken some other action described below, is referred to as the "Postmark Rule." Your revocation notice shall not be valid unless received by Morgan Stanley, directly or under the Postmark Rule, within the seven-day revocation period.

(3) If a material adverse change is made in the Disclosure Statement or the Plan while you still have the right to revoke the IRA, we will inform you of the change, and you shall be permitted to revoke the Agreement for a period of seven days from the date you receive notice of the change.

(4) If you revoke your IRA within the allotted time period, we will return your entire contribution to your IRA to you without adjustment for fees, sales commissions, administrative expenses or any fluctuations in market value. Cancellations of your Account after that point are subject to the normal adjustments for fees or administrative expenses.

(5) If you are eligible to receive contributions under your employer's SEP or SAR-SEP (see VI below) and you have not established an IRA to receive such contributions, then your employer may establish an IRA on your behalf. In such case, only your employer may revoke the account within the seven-day period.

II. Establishing Your Morgan Stanley IRA

(A) STATUTORY REQUIREMENTS

An "individual retirement arrangement" or IRA is a custodial or trust account established for the exclusive benefit of you or your beneficiaries. Federal tax law requires that an IRA must be established by a written agreement between you and a qualified custodian or trustee and meet the following requirements:

(1) Your contributions must be in cash. Your annual contributions cannot exceed the sum of (a) the lesser of (i) the Maximum Annual Contribution (see Section III (A)(2) below) or (ii) 100% of your Compensation, plus (b) if you are age 50 or older, Catch-Up Contributions described in Section III (A)(3) below. Rollover Contributions or transfers described in Section V below and SEP or SAR-SEP contributions described in VI below, have separate limits that are described in the relevant Section of this Disclosure Statement;

(2) Your IRA must be established with a qualified trustee or custodian, such as Morgan Stanley Smith Barney LLC, which is an organization approved by the IRS to act as a custodian of your IRA;

(3) Your IRA assets may not be invested in life insurance contracts or in collectibles such as art, rugs, antiques, metals, gems, stamps, coins, alcoholic beverages or any other tangible personal property classified by the Secretary of the Treasury or the Secretary's delegate as a collectible within the meaning of Section 408(m) of the Internal Revenue Code (the "Code") except for certain coins and bullion described in Code Section 408(m)(3) (where the Custodian has specifically agreed to hold such coins and bullion);

(4) Your interest in your IRA will be nonforfeitable at all times;

(5) Your IRA assets will not be commingled with other property except in a common trust or investment fund; and

(6) Your IRA must comply with the minimum distribution requirements described in Section IX(C) below, both during your lifetime and following your death.

(B) SPECIAL FEATURES OF YOUR MORGAN STANLEY IRA

In addition to the statutory requirements described above, your IRA has the following special features:

(1) Investment Direction/Other Information. We will not make any investment decisions with respect to your IRA, or otherwise act as an investment adviser (as defined under the Investment Advisers Act of 1940 (the "Advisers Act") unless you enter into a separate written agreement with us or one of our divisions or affiliates for the management of your IRA. (Such agreements and relationships are generally characterized as "Managed Accounts" elsewhere in this Disclosure Statement). Absent such a separate written agreement, you shall direct us with respect to the investment of all contributions and the earnings therefrom. Investments may be made in publicly traded securities, covered listed options, certain mutual funds, certain unit trusts, money market instruments and funds, certificates of deposit, bank deposits, and certain coins and bullion, provided such investments are available for acquisition in the normal course of Morgan Stanley's business and have been approved by us for IRA investments. We reserve the right to decline any investment direction regardless of the nature of the security or other property involved in the proposed transaction. We will automatically invest any uninvested cash in accounts with Morgan Stanley Bank, N.A. or any other banking affiliate of the Custodian, in any other sweep investment vehicle specified either in the Adoption Agreement or in an agreement applicable to the sweep investment vehicle for your Account, or in a sweep investment vehicle otherwise made available and disclosed to you. The Custodian may change the sweep investment vehicle available to the Account at any time with notice to you.

(2) Distribution Options. You must notify us, in writing, on a form or in such other manner as may be approved by us, as to when you wish to receive your benefits and the manner of payment. Your payment options are described in Section IX(B) below. See also Section IX(A).

(3) Beneficiaries

(a) Who May Be a Beneficiary. You are entitled to designate one or more individuals or a trust or other organization as a primary and a contingent Beneficiary of your IRA. If you are a resident of a community property state, however, you will need the written consent of your spouse to terminate your spouse's community property interest in your IRA in order to designate a primary Beneficiary other than your spouse. After you die, your primary Beneficiary will receive your Plan benefits. If your primary Beneficiary dies before you do, we will pay your Plan benefits, if any, to your contingent Beneficiary. If you do not designate a Beneficiary, or if your designated Beneficiary and your contingent Beneficiary, if any, die before you or cannot be located, we will pay your IRA balance in accordance with the default beneficiary rules provided under Section 1.3 of the Plan. In general, these default beneficiary designations are as follows: to your surviving spouse; if no surviving spouse, to your surviving children in equal shares; if no surviving spouse or surviving children, to your surviving parents in equal shares; if no surviving parents, then to your estate.

(b) Designating and Changing Beneficiaries. You may designate a Beneficiary in the Adoption Agreement and may change your Beneficiary at any time by giving written notice to us. We will act upon the last dated, written designation received by us prior to your death. We urge you to review and renew your Beneficiary designation whenever your family circumstances are changed by a life cycle event such as marriage, divorce, birth, adoption or death (in addition to reviewing the designation when making a will or establishing a trust) to assure that we distribute your IRA as you intend.

(c) Disclaimers. Your Beneficiary may elect to disclaim all or part of an interest in your IRA and, if they do, subject to the tax rules governing minimum distributions, we will pay your IRA as if the disclaiming Beneficiary died before you did.

(d) Divorce. If you designate your spouse as a Beneficiary, your designation will be automatically cancelled upon the dissolution of your marriage by divorce, annulment or other legal process under the terms of your IRA. If you want to continue to designate your ex-spouse as Beneficiary, you must file a new designation form with us, dated after the date of the dissolution of your marriage.

(e) Surviving Spouse. If your spouse is the sole Beneficiary of your IRA, your spouse may, after your death, name a Beneficiary to receive distributions from the IRA following the death of your surviving spouse (see Section IX(D)(2)(b) below). If your surviving spouse does not designate a Beneficiary before his or her death, a Beneficiary will be designated under Section 1.3 of the Plan.

(f) Remainder Beneficiary. Your Beneficiary may, after your death, name an individual, trust, estate or other entity to receive distributions of any balance remaining in your IRA after the death of your Beneficiary. Any individual or entity so designated will, upon the death of your Beneficiary, become the Beneficiary for all purposes except for minimum required distributions described in Section IX(C) below. In other words, this additional designation may not extend the schedule of required minimum distributions established when you attain age 70½ or, if sooner, following your death. In the event a remainder beneficiary that is not a natural person dies after receiving benefits, amounts will be payable to his/her estate in a lump sum payment.

(4) Managed Accounts. In the event you choose to invest in one or more managed, or advisory, accounts offered by Morgan Stanley at the time you open this IRA, you hereby direct Morgan Stanley to open a separate IRA account for each managed account. You agree that the terms and the conditions of the IRA Plan, the beneficiary designations, and the Adoption Agreement and Client Agreement shall apply to all such accounts on Morgan Stanley's books and records.

(5) Inherited IRAs. If you inherit a Traditional IRA, you are a "Beneficiary" rather than a "Participant." If you inherit a Traditional IRA from your spouse, you generally have the following three choices. You can either (1) treat it as your own IRA by designating yourself as the account owner: (2) you can treat it as your own by rolling it over into your IRA, or into another eligible retirement plan; or (3) you can treat yourself as the beneficiary rather than treating the IRA as your own. If you inherited the Traditional IRA from your spouse, you can make additional IRA contributions, subject to the limitations for such contributions, but will then be considered to have chosen to treat the IRA as your own. If you inherit a Traditional IRA from anyone other than your deceased spouse, you cannot treat the Inherited IRA as your own. This means that you cannot make any contributions to the IRA. It also means you cannot roll over any amounts into or out of the Inherited IRA. However, you can make a trustee-to-trustee transfer between IRAs as long as the IRA into which amounts are being moved is set up and maintained in the name of the deceased IRA owner for the benefit of you as beneficiary.

(6) Other Information

(a) Earnings. The earnings of each separate IRA shall be allocated only to that IRA account.

(b) Growth In Value Not Guaranteed. Growth in value of your IRA will depend entirely on the investment decisions made by you and is neither guaranteed nor protected by Morgan Stanley or its affiliates.

III. Traditional IRA Accounts

(A) CONTRIBUTIONS

(1) Eligibility to Make Contributions. You may make contributions to your IRA for any taxable year in which you have received Compensation and have not yet attained age 70½.

(2) Maximum Annual Contributions. You may contribute to all of your IRAs and, if you are eligible, Roth IRAs, any amount you choose up to the lesser of 100% of your Compensation or the Maximum Annual Dollar Amount for each year listed below:

Years	Maximum Annual Dollar Amount
2008 through 2012	$5,000

For years after 2011, the $5,000 limit is subject to cost-of-living adjustments ("COLAs") determined by the U.S. Treasury. COLAs, if any, will be made in $500 increments.

(3) Catch-Up Contributions. If, by December 31st of any taxable year, you are age 50 or over, you may make an additional contribution (a "Catch-Up Contribution") to all of your IRAs and, if you are eligible, Roth IRA up to the amounts listed below for each year:

Years	Catch-Up Contribution
2006 and thereafter	$1,000

If you are eligible, any annual contribution you make that exceeds your Maximum Annual Contribution will be treated as a Catch-Up Contribution (up to the limits described above) unless you elect to treat such amounts as an Excess Contribution described in Section X(D)(2) below.

(4) Time for Making Contributions. You may establish your IRA and make contributions for a taxable year at any time starting on the first day of the taxable year and ending on the day your Federal income tax return is due for such year (without regard to any extensions). Your IRA will be deemed opened and a contribution made on the date Morgan Stanley has received both the signed Adoption Agreement and Client Agreement and the contribution. If the agreement or contribution is sent by U.S. Mail or private delivery service, your IRA is deemed opened and the contribution made using the Postmark Rule described in Section I(1) above.

(5) Qualified Reservist Distributions. An individual may make a repayment of a Qualified Reservist Distribution during the 2-year period beginning on the day after the end of the active duty period, even if the repayment would cause the individual's total contributions to be more than the general limits on contributions described above in Section III(A)(2). The total repayments cannot be more than the amount of the Qualified Reservist Distribution.

(6) Disaster-Related Distributions. An individual generally may make a repayment of a Disaster-Related Distribution to an IRA at any time during the 3-year period following the distribution. The total repayments cannot be more than the amount of the Disaster-Related Distribution.

(7) Catch-Up Contributions in Certain Employer Bankruptcies—Pre-2010 Rule. For 2007, 2008 and 2009, an individual who participated in a 401(k) plan of an employer who filed for bankruptcy would have been able to make an additional contribution of up to $3,000 each year to the individual's Traditional and Roth IRAs if certain requirements are satisfied. An individual who made additional contributions under this rule was not permitted to also make Catch-Up Contributions as described above in Section III(A)(3). This rule expired after 2009.

(B) DEDUCTIBILITY OF TRADITIONAL IRA CONTRIBUTIONS.

(1) In General. You may fully deduct your Traditional IRA contributions, up to the total of your Maximum Annual Contributions (see (A)(2) above) plus any Catch-Up Contributions, if (a) you are single and you are not an Active Participant in a Retirement Plan, (b) you are married and both you and your spouse are not Active Participants in a Retirement Plan, or (c) you are not an Active Participant in a Retirement Plan and your spouse is an Active Participant, but your jointly filed modified adjusted gross income ("MAGI") for 2012 does not exceed $173,000. If your spouse is an Active Participant and you are not, your ability to deduct your Traditional IRA contribution for 2012 is phased out ratably if your joint MAGI is more than $173,000 but not more than $183,000. For 2012, no deduction is permitted if your joint MAGI exceeds $183,000. For future years, these dollar amounts will be periodically subject to COLAs in increments of $1,000.

(2) Nondeductible Contributions. The amount of your contribution that is not deductible will be a nondeductible contribution to the IRA. You may also choose to make a nondeductible contribution even if you could have deducted part or all of the contribution. If you make a nondeductible contribution to an IRA, you must report the amount of the nondeductible contribution to the IRS on Form 8606 as part of your tax return for the year. You may make contributions up to the Maximum Annual Contribution indicated above at any time during the year, if your compensation for the year will be at least the amount of your contribution without having to know how much will be deductible. When you fill out your tax return, you may then figure out how much is deductible.

(3) Unrelated Business Taxable Income ("UBTI"). The income earned in your IRA is generally exempt from federal income taxes and will not be taxed until distributed to you, unless you make an investment that results in "unrelated business taxable income" ("UBTI"), as defined under the Code. UBTI can result, for example, from an investment in a limited partnership interest in a partnership that is debt-financed or that actively conducts a trade or business. If your IRA derives UBTI which for any year exceeds $1,000, then an unrelated business income tax will be due, and a Form 990-T, Exempt Organization Business Income Tax Return, must be filed. In some cases, quarterly estimated tax must be paid as calculated using Form 990-W. You are obligated to notify Morgan Stanley in writing if an investment you have directed generates UBTI (including but not limited to the name of the investment and the amount of the UBTI). You hereby authorize and direct Morgan Stanley to make such filings and pay taxes with respect to UBTI as it deems appropriate (with the information received or made available by Morgan Stanley from you or other sources), and to liquidate assets of the Account to pay any such taxes, as this tax is an expense of your IRA and must be paid from the assets of your IRA. To the extent Morgan Stanley prepares such Form 990-T, Morgan Stanley reserves the right to charge you, or your IRA, for the cost of such preparation, and for any penalties, interest, losses or expenses relating to such taxes and filings.

(4) Active Participants in Retirement Plans. If you are an Active Participant in a Retirement Plan you may deduct your Traditional IRA contribution if your MAGI is less than the "Applicable Dollar Amount" (see charts below). If your MAGI equals or exceeds the Applicable Dollar Amount but is less than the Phase Out Amount (see chart below) your ability to deduct your Traditional IRA contribution is reduced ratably, but not below $200. If your MAGI equals or exceeds the Phase Out Amount you may not deduct your Traditional IRA contributions. The MAGI limits for Active Participants vary depending upon the tax year and your Federal filing status. The charts below illustrate the MAGI limits for each filing status.

If you are married and file jointly with your spouse:

Taxable Year	Applicable Dollar Amount	Phase Out Amount
2011	$90,000	$110,000
2012	$92,000	$112,000

For future years, these dollar amounts will be periodically subject to COLAs in increments of $1,000.

If you are single and file using any nonmarried filing status:

Taxable Year	Applicable Dollar Amount	Phase Out Amount
2011	$56,000	$66,000
2012	$58,000	$68,000

If you are married but file separately, your Applicable Dollar Amount is $0 and your Phase Out Amount is $10,000, for all tax years.

(C) SAVER'S CREDIT

The Saver's Credit is a nonrefundable tax credit available to taxpayers whose AGI does not exceed certain limits. The credit is equal to a specified percentage of the taxpayer's eligible contributions to IRAs or certain employer-sponsored retirement plans for the taxable year.

(1) Eligibility. The taxpayer must be age 18 or over before the end of the taxable year, may not be a full-time student and cannot be claimed as a dependent on another taxpayer's Federal income tax return.

(2) Contributions Eligible for the Saver's Credit. The maximum amount of annual contributions that may be taken into account is $2,000. Eligible contributions include annual contributions to Traditional and Roth IRAs and salary reduction contributions to Code Section 401(k), SIMPLE (IRA or 401(k)), Code Section 403(b), governmental Code Section 457 or SAR-SEP plans. Voluntary after-tax contributions to an employer's qualified retirement plan or a Code Section 403(b) plan are also eligible for the credit.

(3) Reduction of Eligible Contributions. The amount of a taxpayer's eligible contributions for any taxable year will be reduced by any taxable distributions received by the taxpayer (or by the taxpayer's spouse if filing a joint return) from an IRA or a plan listed in (C)(2) above during the taxable year, during the two preceding years or during the period from the end of the taxable year until the due date (with extensions) of the taxpayer's Federal income tax return.

(4) Amount of Credit. The Saver's Credit will be 50%, 20% or 10% (the "Applicable Percentage") of eligible contributions based upon the taxpayer's filing status and AGI. For this purpose, you should not exclude from your AGI amounts otherwise excluded or deducted from your income as foreign-earned income, foreign housing costs, income for bona fide residents of American Samoa, or income from Puerto Rico. AGI amounts for 2012 are shown on the chart below. These amounts will be periodically subject to COLAs in increments of $500.

Adjusted Gross Income						
Joint Return		Head of Household		All Other		Applicable Percentage
Over	Not Over	Over	Not Over	Over	Not Over	
$0	$34,500	$0	$25,875	$0	$17,250	50
$34,500	$37,500	$25,875	$28,125	$17,250	$18,750	20
$37,500	$57,500	$28,125	$43,125	$18,750	$28,750	10
$57,500		$43,125		$28,750		0

Please consult your tax advisor on the extent to which the Saver's Credit may be relevant for you given your personal tax situation.

IV. Spousal IRA Contributions

(A) ELIGIBILITY AND AMOUNT.

(1) Eligibility to Make Spousal IRA Contributions. Even if your spouse has no Compensation, or Compensation less than the Maximum Annual Contribution (see Section III (A)(2) above), your spouse (or you on behalf of your spouse) may make a Traditional IRA contribution for any taxable year before your spouse attains age 70½ if you file a joint Federal income tax return and your spouse's Compensation, if any, is less than yours.

(2) Maximum Annual Spousal IRA Contributions. Contributions may be made to all of your spouse's Traditional IRAs and, if eligible, Roth IRAs, in any amount as long as total contributions, do not exceed the Maximum Annual Contribution described in Section III (A)(2) above. For this purpose, Compensation is the aggregate of all Compensation reported on your joint Federal income tax return for the year of the contributions, reduced by the amount of your Traditional and Roth IRA contributions for the same year.

(3) Spousal IRA Catch-Up Contributions. Your spouse (or you on your spouse's behalf) may make Catch-up Contributions described in Section III (A)(3) above, if your spouse meets the eligibility requirements set forth in Section III (A)(3) above.

(4) Time for Making Contributions. Spousal IRA contributions may be made at the same time and under the same rules as apply to Traditional IRA contributions (see Section III (A)(4) above).

(B) DEDUCTIBILITY OF SPOUSAL IRA CONTRIBUTIONS.

The rules for deducting Spousal IRA contributions are the same as for deducting your Traditional IRA contributions (see Section III (B) above).

V. Rollovers and Transfers

(A) ROLLOVER CONTRIBUTIONS.

(1) Timing and Amount. You may make a Rollover Contribution to your Morgan Stanley IRA, pursuant to your irrevocable election to do so, at any time you receive a distribution from an eligible retirement plan (a pension, profit sharing or stock bonus plan described in Code Sections 401(a) or 401(k); a Code Section 403(a) annuity; a Code Section 403(b) plan; a government's Code Section 457 plan or an IRA (but not a Roth IRA or Education Savings Account)) and which:

(i) is completed no later than 60 days after you receive the distribution except that a distribution which fails to be a Qualified First-time Homebuyer Distribution solely because of a delay or cancellation of the purchase or construction of a Principal Residence may be rolled over within 120 days after the distribution was made;

(ii) consists only of cash or property (of a nature and in a form acceptable to Morgan Stanley) received in the distribution, or the cash proceeds of the sale of property received from a Retirement Plan other than an IRA;

(iii) does not include a required minimum distribution amount; and

(iv) if the rollover comes from a Traditional IRA or a SIMPLE IRA, no distribution received by you from the same IRA within the 12 months ending on the day of the most recent distribution was rolled over to a Traditional or SIMPLE IRA or an eligible retirement plan. For purposes of applying this 12-month rule, rollovers or conversions of a Traditional or SIMPLE IRA to Roth IRA and rollovers of distributions which fail to be Qualified First-time Homebuyer Distributions solely by reason of the delay or cancellation of the purchase or construction of a Principal Residence are not taken into account and are not themselves subject to the 12-month rule.

(2) Direct Rollovers from Retirement Plans. We will accept in your Morgan Stanley IRA direct rollovers of eligible rollover distributions from your employer's Retirement Plan. Your Financial Advisor or Private Wealth Advisor can provide you with the information your employer's plan administrator will need to complete a direct rollover.

(3) Direct Rollovers/Transfers by Nonspouse Beneficiaries to an Inherited IRA. Distributions from a deceased participant's Code Section 401 (a) plan, Code Section 403 (b) plan, or governmental Code Section 457 (b) plan that would satisfy all of the requirements for being an eligible rollover distribution but for that the distribution would be made to you as a beneficiary who is not the participant or the participant's spouse can, instead of being paid to you, be transferred directly from the plan to an Inherited IRA on your behalf. Any check from the plan must be made out to Morgan Stanley Smith Barney LLC as IRA custodian for the benefit of, or showing in the memo line the names of the decedent and beneficiary, and cannot be made payable to the beneficiary directly. Transfers can also be made directly electronically from the plan to the Inherited IRA. This is known as a "nonspouse" beneficiary direct rollover or transfer. Such plans were permitted to make such nonspouse beneficiary transfers after 2006, but are required to offer them to nonspouse beneficiaries beginning in their 2010 plan year.

The receiving Inherited IRA must be identified and maintained as an Inherited IRA and is subject to the minimum required distribution requirements for a beneficiary. Under those minimum required distribution rules, depending on the plan's provisions, if the plan participant died before his or her required beginning date, the required minimum distributions for purposes of determining the amount eligible for direct transfer with respect to a nonspouse beneficiary are determined under either the "5-Year Rule" (generally, that the entire interest of the employee be distributed within 5 years after the death of such employee) or the "Life Expectancy Rule" (that the amounts generally be distributed over the life of or a period not exceeding the life expectancy of the designated beneficiary, beginning not later than December 31st of the year after the year of the employee's death). Thus, if the distribution from the plan is being made under the 5-Year Rule, for the first 4 years after the year the employee dies, no amount payable to the nonspouse beneficiary is ineligible for direct transfer as a required minimum distribution. If the distribution is being made under the Life Expectancy Rule, in the year following the year of death and each subsequent year, any undistributed required minimum distribution for the year or prior years cannot be transferred because it is ineligible for rollover.

If an employee dies after he or she had commenced distributions on or after his or her required beginning date under the plan, for the year of the employee's death, the required minimum distribution for the employee for the year of the transfer (and any prior years not distributed) is not eligible for transfer to an Inherited IRA by the designated beneficiary. The plan administrator is responsible for determining the portion of any plan distribution that is an "eligible rollover distribution" that can be transferred to the Inherited IRA.

After the transfer, the required minimum distribution requirements that apply to the Inherited IRA are the same as would have applied to the plan. Thus, if the employee died before his or her required beginning date and the 5-Year Rule was being applied; the 5-Year Rule applies for purposes of determining required minimum distributions under the Inherited IRA. If, on the other hand, the Life Expectancy Rule will be applied, the required minimum distribution under the inherited must be determined using the same applicable distribution period as would have been applied under the plan if the direct transfer had not occurred. Similarly, if the employee dies on or after his or her required beginning date from the plan, the required minimum distribution under the Inherited IRA for any year after the year of death must be determined using the same applicable distribution period as would have applied under the plan if the direct transfer had not occurred. The beneficiary is responsible for continuing the appropriate applicable required minimum distributions and may want to consult with their personal tax advisor. See IX(C) for more information.

(4) Federal Income Tax Considerations.

(i) Rollover Contributions. Your Rollover Contribution is excluded from your gross income in the year in which the rollover takes place. In other words, any Federal income taxes that may become due on your Retirement Plan or IRA distribution continue to be deferred as a consequence of the rollover.

(ii) No Penalty Tax. Distributions from a Retirement Plan or which you properly roll over are not subject to the penalty tax on early distributions (see Section X (D)(1) below).

(iii) Taxation of Distributions. When distributed from your IRA, the Rollover Contribution and earnings thereon will be taxed as ordinary income (see discussion in Section X (A) below).

(B) DIRECT TRANSFERS.

You may transfer all or a portion of an IRA you maintain with another custodian or trustee directly to your Morgan Stanley IRA at any time, provided such assets are in a form acceptable to Morgan Stanley. At your written request, Morgan Stanley will make such a transfer of all or a portion of your IRA to another custodian or trustee. You may not, however, transfer to another custodian or trustee any minimum distribution amount you are required to receive from your IRA on account of your having attained age 70½ (see Section IX(C) below) unless you certify in writing that you have received your required minimum distribution from another IRA.

(C) TRANSFER INCIDENT TO A DIVORCE.

All or any portion of your IRA assets may be transferred tax-free to your spouse or former spouse pursuant to a court-ordered division of property, separation or divorce and shall be held as a separate IRA for the benefit of your spouse or former spouse. Absent receipt of a court order, any such transfer will, however, be subject to the normal tax distribution rules, which may result in income tax (and potentially excise tax) penalties.

(D) CONVERSION TO A ROTH IRA.

You may direct Morgan Stanley to roll over or convert all or a portion of your Traditional, SEP or SAR-SEP IRA to a Roth IRA, provided, for years prior to 2010, your MAGI for the year of the distribution from your IRA does not exceed $100,000 (not counting the amount added to your gross income because of the conversion) and you are not a married individual filing a separate Federal income tax return (unless you have lived separately from your spouse for the entire taxable year). You may also convert a SIMPLE IRA to a Roth IRA provided two years have passed since you first participated in your employer's SIMPLE Plan. For 2010, these MAGI and filing status limits do not apply. The amount converted may include nondeductible or after-tax contributions but must exclude any required minimum distribution amount described in Section IX(C) below. If you convert or roll over your IRA to a Roth IRA, you must include in your gross income any amount which would be included if it were not part of a rollover contribution (in other words, the amount of your deductible IRA contributions, SEP, SAR-SEP or SIMPLE contributions plus earnings on any contributions which are included in the conversion. This amount is known as the "taxable conversion amount." For rollovers and conversions in 2010, the taxable conversion amount must be included in gross income ratably over the two-year period beginning with the first tax year beginning in 2011, although a taxpayer may elect to not have the two-year spread period apply, and to include the taxable portion of a distribution rollover to a Roth IRA in gross income in the 2010 tax year (i.e., the year of the distribution). For years after 2010, the taxable conversion amount must be included in gross income for the year of the IRA distribution used for the conversion or rollover. The 10% premature penalty tax does not apply to the taxable conversion amount.

(E) RECHARACTERIZATION AND RECONVERSION OF CONTRIBUTIONS.

You (or your executor, administrator or other personal representative of your estate) may recharacterize a contribution made to a Traditional or a Roth IRA (the "First IRA") by transferring the amount contributed with any allocable earnings to another Traditional or Roth IRA (the "Second IRA"). You must give notice to the trustee or custodian of both the First and Second IRA that you want to transfer and recharacterize your IRA contribution no later than the due date, with extensions, of your Federal income tax return for the tax year. A contribution that is recharacterized is treated as having been originally contributed to the Second IRA on the same date and, in the case of a regular or annual contribution, for the same tax year as the original contribution to the First IRA. The recharacterized contribution is reported to the IRS and is treated as a contribution to the Second IRA. The recharacterization is accomplished by transferring the amount being recharacterized (in cash or in kind), adjusted for net gains or net losses, from the First IRA to the Second IRA.

Recharacterization is primarily intended to allow you to reverse a conversion to a Roth IRA if you realize that your MAGI will exceed $100,000 (before 2010) or your account drops in value after the conversion. By recharacterizing the Roth IRA contribution as a Traditional IRA contribution the transaction will be treated as a rollover between two Traditional IRAs for which no income or penalty taxes will be due. Congress and the Internal Revenue Service have amended the Code and tax regulations to broadly allow the recharacterization of any IRA contribution except for tax-free rollovers or transfers of employer contributions (including employee salary deferrals) to a SEP, SAR-SEP or SIMPLE Plan (though a rollover made in error from a Traditional or Roth IRA to a SIMPLE IRA may be recharacterized.) In other words, you may recharacterize all or a portion of a contribution. The 12-month limit on IRA rollovers does not apply to a recharacterized contribution.

If a Roth IRA conversion is properly recharacterized as an IRA contribution, the failed conversion amount is treated as a rollover to the IRA, and no income or penalty tax will be due. However, if the conversion is not properly recharacterized, it will be treated as an annual Roth IRA contribution. Any portion of the conversion that exceeds the sum of your Maximum Annual Contribution plus any allowable Catch-Up Contributions will be an excess contribution subject to the 6% penalty excise tax (see Section X (D)(2) below).

A taxpayer who converts an amount from an IRA to a Roth IRA and then transfers that amount back to an IRA by means of a recharacterization may be eligible to convert that amount again to a Roth IRA (a "Reconversion"). Pursuant to the rules set forth in Income Tax Regulations §1.408A-5 (Q&A-9), the recharacterized amount may not be reconverted to a Roth IRA before the later of (i) the beginning of the next following taxable year, or (ii) 30 days after the date on which the amount was transferred back to the IRA by means of the recharacterization. Any amount previously converted must be adjusted for subsequent net income to determine the amount subject to this limit on subsequent Reconversions. For this purpose, a conversion before 2010 which fails (and is subsequently recharacterized) because the Participant's MAGI exceeds the $100,000 limit is subject to this limit on Reconversions.

Rollover IRAs that (1) qualify as conduit IRAs under Code Section 408(d)(3)(A)(ii), (2) are rolled over or converted to a Roth IRA, and (3) are subsequently recharacterized to a Rollover IRA, do not lose their status as conduit IRAs solely because of the conversion and recharacterization.

A Reconversion will change the taxpayer's taxable conversion amount from the value of the IRA on the date of the last conversion to the value of the IRA on the date of the Reconversion. However, a Reconversion that exceeds the limits described above (an "excess Reconversion") will not change the taxpayer's taxable conversion amount. Instead, for income tax purposes, the excess Reconversion and the last preceding recharacterization will not be taken into account and the taxpayer's taxable conversion amount will be based on the last conversion that was not an excess Reconversion. A taxpayer who has made an excess Reconversion has the choice of leaving the reconverted amount in the Roth IRA and paying taxes based on the value of the IRA distribution used for the last "good" conversion (or Reconversion), or recharacterizing the excess Reconversion amount as a rollover to a Traditional IRA, deferring taxes until a later distribution.

VI. SEP/SAR-SEP Contributions

(A) SEP CONTRIBUTIONS.

If your employer (or you, if you are self-employed) adopts a Simplified Employee Pension Plan ("SEP"), annual contributions of up to the lesser of $50,000 for 2012 or 25% of your Compensation for the year may be made to a SEP IRA on your behalf. The dollar limit is subject to COLAs determined by the U.S. Treasury. Should you refuse or for any reason be unable to establish a SEP IRA to receive your employer's contributions, if any, Morgan Stanley will allow your employer to establish a SEP IRA on your behalf to receive any SEP contributions. Should this happen, the contributions will be invested in accordance with the provisions of your IRA regarding cash balances.

(B) SAR-SEP CONTRIBUTIONS.

(1) If your employer (or you, if you are self-employed) established a Salary Reduction SEP ("SAR-SEP") before January 1, 1997, you may elect to make salary reduction contributions to your SAR-SEP IRA of up to 15% of your Compensation or the Applicable Dollar Amount set forth both in Code Section 402(g)(1)(A) ($17,000 for 2012, subject to COLAs determined by the U.S. Treasury), whichever is less. Amounts deferred are excluded from your current year's

Compensation for Federal income tax purposes. In addition, if you are age 50 or older by the end of any year, you may make Catch-Up Contributions, consisting of additional deferrals that exceed the Applicable Deferral Amount. The maximum allowable Catch-Up Contribution is $5,500 for 2012, subject to COLAs determined by the U.S. Treasury. The SAR-SEP deferral limits are reduced by elective deferrals you make for the same year to any 401(k), 403(b), SIMPLE or 457 plan. This limit applies even if you work for different employers. SAR-SEP contributions may be further limited based upon the percentage of eligible employees who contribute and their rates of contribution.

2. While a new SAR-SEP may not be established after 1996, a new SAR-SEP may nevertheless be opened, and contributions made, with respect to an employee who first becomes eligible for SAR-SEP contributions, or first elects to participate in a SAR-SEP, after 1996.

(C) COMPENSATION LIMIT.

The amount of Compensation which may be taken into account when calculating contributions to a SEP or SAR-SEP is limited to $250,000 for 2012, subject to COLAs determined by the U.S. Treasury.

(D) CONVERSIONS TO ROTH IRAS.

SEP and SAR-SEP IRAs may be converted or rolled over to Roth IRAs. However, future employer and employee contributions must be made to the SEP or SAR-SEP IRA and may not be made to a Roth IRA.

VII. Prohibited Contributions

No SIMPLE IRA, Roth IRA or Education Savings Account contributions may be made to your Traditional IRA. You must open separate SIMPLE IRAs, Roth IRAs and Education Savings Accounts to receive such contributions. You may, however, roll over distributions from a SIMPLE IRA to your Traditional provided the distribution is made more than 2 years after you first participated in an employer's SIMPLE IRA plan.

VIII. Combined Accounts and Special Rollover Rules

(A) IN GENERAL. Your Morgan Stanley IRA may be used to receive two or more types of contributions. These accounts are known as "Combined Accounts." The permitted Combined Accounts are Rollover/Traditional, Rollover/SEP and SEP/Traditional. For this purpose, a SEP includes a SAR-SEP. In a Combined Account, the features and tax consequences of each separate type of IRA apply to the contributions made for that IRA. Regardless of the title given to your Account, Traditional (including Spousal), SEP, SAR-SEP and Rollover Contributions may be made to the same Traditional IRA.

(B) SPECIAL ROLLOVER RULES. Starting in 2002, if you combine Rollover Contributions from an employer-sponsored Retirement Plan with any other type of IRA contributions, you will still have the ability to roll such contributions from your IRA into another employer-sponsored Retirement Plan, a Code Section 403(b) plan or a government-sponsored Code Section 457 plan. However, if you rolled over to your IRA a lump sum distribution eligible for forward averaging or capital gains treatment, you will lose the ability to apply these special tax treatments if you commingle the lump sum with any other IRA contributions. To preserve these special tax treatments you must contribute the lump sum to a Rollover IRA and then roll over a distribution from the Rollover IRA to an employer's qualified retirement plan.

IX. Distributions from Your Morgan Stanley IRA

(A) IN GENERAL.

You may take a distribution of all or any portion of your IRA at any time. The amount you withdraw and the timing of your withdrawal will affect the amount, if any, of Federal income or penalty taxes owed as a result of the withdrawal. The Federal tax considerations of withdrawing assets from your IRA are discussed below in Section X.

(B) FORM OF DISTRIBUTIONS

You (or your Beneficiary if distributions commence after your death) may elect to have the balance in your IRA paid, in cash or in-kind, as follows:

1. In a lump sum;
2. In equal or substantially equal installments payable at least annually over a period not extending beyond your life or life expectancy or the joint lives or life expectancies of you and your Beneficiary;
3. By purchase of a qualified annuity contract;
4. In monthly, quarterly or annual installments in an amount determined by you or your Beneficiary; or
5. Any combination of the above (subject to the requirements of the Code).

(C) REQUIRED MINIMUM DISTRIBUTIONS.

(1) In General. You must withdraw a minimum amount (the "required minimum distribution" or "RMD") from your IRA for each year commencing with the year in which you attain age 70½, including the year of the IRA owner's death. Each such year is known as a Distribution Calendar Year or "DCY." You may delay withdrawing your RMD for the year in which you attain age 70½ until April 1 of the following year. This is known as your "required beginning date" or "RBD." The RMD for each succeeding year must be withdrawn by December 31st of each such year. Please note that if you delay your RMD for your first DCY until the next year you will have to withdraw amounts equal to two RMDs during your second DCY.

(2) RMDs May Be Withdrawn from Any IRA. Your RMD must be calculated separately for each IRA you maintain but the aggregate of all your RMDs may be withdrawn from any one or more IRAs. For this purpose, you make the calculation for, and you may aggregate, each of your Traditional IRAs (including any SIMPLE or SEP IRAs) but you exclude any Roth IRAs or Education Savings Accounts.

(3) Calculating Your Minimum Required Distribution.

(a) Using the Uniform Table. You calculate your yearly RMD by dividing the balance in your IRA as of December 31 of the prior year by your life expectancy factor (also referred to as an "applicable divisor" or "applicable distribution period" in various IRS publications). To find your life expectancy factor for a DCY, look on the Uniform Table (also known as the "Lifetime Table"), published by the IRS as Table III in Publication 590. The life expectancy factor or applicable distribution period will be next to your age as of your birthday in the DCY. You must refer back to the Uniform Table each year to determine your life expectancy factor using your age as of your birthday in that year.

Here is an example of how RMDs are calculated using the Uniform Table. Suppose that an IRA owner attains age 70½ in 2011, that on his birthday in 2011 the IRA owner is 71 years old and that, on December 31, 2010, the IRA owner's account balance was $100,000. The IRA owner's RMD for the first DCY (2011) will be $3,773.58 ($100,000 ÷ life expectancy factor at age 71 of 26.5). Continuing with our example, if, on December 31, 2011, the IRA account balance is $105,000, the RMD for 2012 will be $4,101.56 ($105,000 ÷ age 72 life expectancy factor of 25.6).

(b) Calculating RMD with Younger Spouse Beneficiary. If the sole primary beneficiary of your IRA for the entire calendar year is your spouse and your spouse is more than 10 years younger than you, you may calculate RMDs by using the joint life expectancy factor for the ages of you and your spouse as of your birthdays in each DCY. You will find your joint life expectancy factor (applicable divisor) in Table II in the IRS Supplement to Publication 590. You must refer back to this table for the joint life expectancy factor for every DCY in which both you and your younger spouse are alive. Once you find your joint life expectancy factor, you calculate your RMD in the same way as described in (a) above for Uniform Table users. This rule may also be used if your spouse is the sole beneficiary of a Pass-Through Trust described in Section IX (D)(2)(c) below. If your younger spouse dies before you or you change your beneficiary for any reason, you must use the Uniform Table.

(4) Annuity Contracts In Your IRA. Any annuity contract purchased for you using your IRA's assets must meet the minimum distribution rules that apply to such contracts. These will be different from the rules for accounts described in Section IX (D) (3) above.

(5) More Information. Further details about calculating RMDs are found in Section 4.4 of the Plan and IRS Publication 590.

(D) DEATH BENEFITS

(1) Determining Who the Beneficiary Is for Post-Death RMD Purposes. This section (D) sets forth the rules for RMDs paid after the death of the IRA owner. RMDs are, in general, based upon the life expectancy of a Beneficiary or, in the absence of a Beneficiary, either the remaining life expectancy of the IRA owner or the 5-Year Rule described in (D)(2)(a)(iv) below. The following is a summary of rules for determining who is the Beneficiary for RMD purposes:

(a) Post-death RMDs do not have to begin until December 31st of the year following the year of the IRA owner's death. In general, the Beneficiary for RMD purposes does not have to be determined until September 30 of the year after the year of the IRA owner's death. For Traditional IRAs there is an exception to this rule in (C)(3)(b) above where a spouse who is more than 10 years younger than the IRA owner must be identified by the IRA owner's RBD;

(b) Any Beneficiary of the IRA, who disclaims his or her interest in the IRA or who takes a distribution of his or her total interest in the IRA before post-death RMDs must commence, is not taken into account when determining who the Beneficiary is for purposes of calculating post-death RMDs.

(c) If there are multiple Beneficiaries, the IRA may be split into separate IRAs, one for each Beneficiary, and the RMDs calculated separately for each IRA. Notice must be given to the custodian no later than September 30 of the year following the year of the IRA owner's death. (See (D)(2)(d)(iv) below).

(2) Death Before Required Beginning Date. If the IRA owner dies before his or her RBD, then RMDs are not considered to have begun (even if the IRA owner took a distribution for the first DCY) and the following rules should be used:

(a) Nonspouse Beneficiary.

(i) When RMDs for Nonspouse Beneficiary Must Begin. If a designated Beneficiary is not the IRA owner's surviving spouse (as described in (b)(i) below), the nonspouse Beneficiary must take RMDs until the IRA is exhausted. Unlike RMDs each year during the IRA owner's lifetime, post-death RMDs must be calculated and paid separately from each of the decedent's IRAs. The first DCY for a nonspouse Beneficiary is the first calendar year after the year of death. The RMD must be taken by December 31st of every DCY.

(ii) Calculating RMDs for a Nonspouse Beneficiary. The nonspouse Beneficiary calculates RMDs from any DCY by dividing the IRA account balance as of December 31st of the prior year by a life expectancy factor. The life expectancy factor (applicable divisor) for the first DCY is found on Table I of IRS Publication 590 next to the nonspouse Beneficiary's age as of his or her birthday in the first DCY. For each succeeding year, the life expectancy factor will be the prior year's factor minus one. This continues until the life expectancy factor is less than one. In that year, the entire remaining balance of the IRA must be distributed. This method of distribution is often referred to as "nonrecalculation" or "term certain" because the Beneficiary's life expectancy is not recalculated each year and the stream of payments may continue even after the Beneficiary's death.

(iii) Death of Nonspouse Beneficiary. If the nonspouse Beneficiary dies before the IRA is exhausted, the term certain described in (ii) above may continue to be paid to a Remainder Beneficiary or to the Beneficiary's Estate until the IRA is exhausted.

(iv) Alternative Distribution Methods. In lieu of receiving term certain payments, the nonspouse Beneficiary may elect to take a total distribution of the IRA no later than December 31st of the fifth year following the year of the IRA owner's death (the "5-Year Rule") or may take distributions that exhaust the IRA at any time before the end of the five years following the year of death.

(v) Nonliving Entity (Trust, Estate, Educational Institution). If the Beneficiary is a nonliving entity (for example, the IRA owner's estate, a charitable or educational institution or a trust that doesn't qualify as a "Pass-Through Trust" described in (c) below) the IRA must be distributed using the Five-Year Rule. This rule also applies if the IRA owner dies before the

RBD and there is no designated Beneficiary, Morgan Stanley IRAs automatically designate a Beneficiary if the IRA owner does not (see Section II (B)(3) above or Section 1.3 of the Plan).

(b) Spouse as Sole Beneficiary

(i) When RMDs for a Spouse Beneficiary Must Begin. If the owner's surviving spouse is the sole Beneficiary of the IRA, the surviving spouse may elect to commence taking RMDs as of the later of December 31 of the (I) year after the year of death, or (II) the year in which the IRA owner would have attained 70½. If the spouse is not the sole Beneficiary, RMDs must begin by December 31st of the year after the year of death.

(ii) Calculating RMDs for a Sole, Spouse Beneficiary. During his or her lifetime, post-death RMDs are calculated using a life expectancy factor based on the spouse's actual age as of his or her birthday in each DCY. This is known as the "recalculation" method of determining RMDs. For this purpose, the surviving spouse uses Table I of IRS Supplement to Publication 590. If the surviving spouse dies before the IRA is exhausted, the spouse's Beneficiary may continue to receive annual payments from the IRA but must change to the nonrecalculating or term certain method. This is done by taking the spouse's life expectancy factor (applicable divisor) for the spouse's year of death and subtracting one for each subsequent year until the factor is less than one. The RMD for each year is the prior year's December 31st account balance divided by the applicable life expectancy factor. When the life expectancy factor for a DCY is less than one, the entire IRA must be distributed during that year. If the spouse is not the sole Beneficiary, RMDs are calculated using the rules in (a) above and (d) below.

(iii) Death of Surviving Spouse Before RMDs Begin. If the surviving spouse is the sole Beneficiary and dies before RMDs must commence (see (i) above), the IRA is distributed as if the spouse were the IRA owner. The spouse's Beneficiary must commence taking RMDs no later than December 31st of the year after the year of the spouse's death using the term certain method described in (a)(ii) above. The life expectancy factor is determined using the spouse's age in the year of the spouse's death and subtracting one for each subsequent year. If the surviving spouse has remarried, his or her new spouse may not use the special rules for surviving spouses set forth in this subsection (b) but is, instead, treated as a nonspouse Beneficiary of the decedent's IRA.

(iv) Special Election to Treat Decedent's IRA as Spouse's IRA. If the IRA owner's surviving spouse is both the sole Beneficiary and has an unlimited right of withdrawal from the IRA (this will generally be true except if the spouse is receiving IRA payments as beneficiary of a trust), the surviving spouse may elect to treat the IRA as the surviving spouse's IRA. If the IRA owner dies before his or her RBD, this special election may be made at any time before RMDs must commence under (i) above. This special election is automatically deemed to have been made if the surviving spouse either (A) fails to commence RMDs by the deadline described in (i) above, or (B) makes any form of contribution to the IRA. Once this election is made the IRA is treated as the Spouse's IRA for all purposes including the RMD rules.

(c) Pass-Through Trust as Beneficiary

(i) Definition of Pass-Through Trust. An IRA owner may designate a Pass-Through Trust as primary or contingent Beneficiary. To be treated as a Pass-Through Trust, the trust must be (A) valid under applicable state law, (B) irrevocable no later than the IRA owner's date of death, (C) have a beneficiary or beneficiaries who are identifiable from the trust instrument and (D) the IRA owner or trustee has provided the IRA Custodian with either a copy of the trust (and any amendments) or a written certification that (A) and (B) are true. The written certification must also list each trust beneficiary, his or her share of the IRA and the conditions under which the trustee may pay each beneficiary a share of the IRA. The IRA owner or trustee must provide the Custodian with a new certification if there is a change in the trust that would change the original certification. The certification may be made at any time from the date the trust is designated as a beneficiary until October 31st of the year following the year of the IRA owner's death. Morgan Stanley has a certification form for this purpose. A Pass-Through Trust may be any type of trust (personal, testamentary, credit shelter, qualified terminable interest, etc.) so long as it satisfies the four criteria listed in this paragraph.

(ii) RMD Payments to Pass-Through Trust. RMDs for a Pass-Through Trust are calculated as if the Beneficiary of the trust was the Beneficiary of the IRA, using the rules for nonspouse, spouse, nonliving entity and multiple beneficiaries set forth in (a), (b) and (d) of this section or, if the IRA owner dies on or after the RBD, in (D)(3) below.

(d) Multiple Beneficiaries

(i) General Rules. If two or more Beneficiaries have a right to receive payments from a decedent's IRA, RMDs must begin no later than December 31st of the year after the year of death using the life expectancy of the oldest Beneficiary. RMDs are calculated under the rules for nonspouse beneficiaries set forth in (a) above.

(ii) Special Spouse Rules Do Not Apply. If a surviving spouse is one of two or more Beneficiaries of an IRA, the special rules for spouses set forth in (b) above do not apply (unless the IRA is split into separate accounts as described in (iv) below).

(iii) Nonliving Entity. If any Beneficiary is a nonliving entity (other than a Pass-Through Trust described in (c)(i) above), then the IRA must be distributed using the 5-Year Rule (unless the IRA is split into separate accounts as described in (iv) below).

(iv) Dividing the IRA into Separate Accounts. If the decedent's IRA is divided into separate accounts (one for each Beneficiary) no later than December 31st of the year after the year of the IRA owner's death, each separate account will be treated as a separate IRA with a single Beneficiary. RMDs will be separately calculated for each IRA using the rules applicable to that beneficiary (nonspouse, spouse or nonliving entity). If the Beneficiary of a separate IRA is the owner's surviving spouse, the spouse may apply the rules set forth in (b) above to the separate IRA. Morgan Stanley may require each beneficiary to submit paperwork opening such separate accounts.

(3) Death On or After Required Beginning Date. Once RMDs commence during the IRA owner's lifetime, distributions must continue to be made every year until the IRA is exhausted. This Section summarizes the RMD rules that apply when the IRA owner has commenced receiving RMDs but dies before the IRA is exhausted.

(a) Last Year of IRA Owner's Life. The RMD for the last year in which the IRA owner is alive (no matter how short a period of time), including the first DCY, must be distributed from the IRA using the IRA owner's life expectancy factor determined under Section IX (C)(3) above.

(b) General Rule for Post-Death RMDs. Post-death RMDs from IRAs whose owners die on or after their RMDs are determined under the same rules as are set forth in (D)(2) above for post-death RMDs when IRA owners die before the RBD unless one of the exceptions described in (c) or (d) below applies. In general, by December 31st of each year after the year of death, an RMD must be paid to the Beneficiary using the Beneficiary's life expectancy factor as determined under Section IX (D)(2) above.

(c) Exception for Spouse Beneficiary. If the sole Beneficiary of the IRA is the IRA owner's surviving spouse, the spouse must continue RMDs starting with the year after year of death. If the spouse is eligible to make the special election described in (D)(2)(b)(iv) above, the spouse may do so at any time but, for the year of the election, must take a distribution of the RMD for that year before making the decedent's IRA into the spouse's IRA.

(d) Exception for Nonliving Entity or No Beneficiary. If the Beneficiary is a nonliving entity (other than a Pass-Through Trust), if one of multiple Beneficiaries is a nonliving entity (other than a Pass-Through Trust) or if there is no designated Beneficiary, post-death RMDs are calculated by taking the IRA owner's life expectancy factor for the year of death and subtracting one for each subsequent year.

(E) REQUESTING A DISTRIBUTION.

You or your Beneficiary may take a distribution by submitting a written request to Morgan Stanley, on a form provided by us, and by providing any additional information or documents needed by Morgan Stanley for proper tax reporting or other regulatory purposes.

(F) TAX-FREE CHARITABLE DISTRIBUTIONS

Congress previously permitted eligible IRA owners age 70½ or older to make distributions of up to $100,000 per year directly from your IRA to certain charitable organizations without incurring any income tax consequences. The distribution was counted for purposes of the RMDs from an IRA, but was not to be included in calculating the limitation on charitable deductions in the year the donation was made. This provision expired at the end of 2009, but was extended by Congress and signed into law on December 17, 2010 for taxable years beginning after December 31, 2009 and before January 1, 2012.

X. Federal Taxation of IRA Distributions

(A) IN GENERAL.

All amounts distributed or deemed distributed to you from a Traditional IRA which are derived from deductible or pre-tax contributions (including SEP and SAR-SEP contributions, if any) and earnings on contributions (deductible or not) are included in your taxable income as ordinary income, and are not eligible for capital gains treatment. The special ten-year, "forward income averaging treatment accorded eligible lump sum distributions from eligible Retirement Plans does not apply to lump sum distributions from an IRA.

If you have made any nondeductible contributions to your Traditional IRA or rolled over after-tax contributions from a qualified plan, a portion of your distributions from the IRA will be nontaxable (as a return of your nondeductible contributions) and a portion may be taxable (as a return of deductible contributions and account earnings, if any).

As noted above, Traditional IRA distributions are not eligible for special tax treatment (i.e., forward averaging or capital gains). Except for "minimum required distributions" (see Section IX (C) above) and "deemed distributions" (see Section X (B) below), taxable distributions may be rolled over into another Traditional IRA, an employer's qualified Code Section 401(a) plan, a Code Section 403(a) annuity, a Code Section 403(b) plan or a governmental-sponsored Code Section 457 plan and defer taxation on the distribution or, if you are eligible, roll over your Traditional IRA distribution to a Roth IRA (see Section V above), but in such case you will not defer the payment of taxes on the distribution.

(B) DEEMED DISTRIBUTIONS.

(1) The Code Defines Certain Transactions as "Prohibited Transactions." You (or upon your death or certain other circumstances, your Beneficiary) are generally considered to be "fiduciaries" of your IRA because of your ability to direct the investment and transactions within your account. If you or your Beneficiary engages in a "prohibited transaction" described in Code Section 4975(c) with respect to your IRA as a fiduciary of such Account, the IRA will become immediately taxable under Code Section 408(e)(2)(A) on the first day of the taxable year in which the prohibited transaction occurs, and your IRA will be treated as having been distributed on such day. Both the taxable portion of your IRA as of that day and the fair market value of the IRA's earnings after that day will be included in your income for that taxable year. A 10% penalty tax will be imposed on the amounts included in gross income if you have not yet attained age 59½ *and no exemption to the penalty tax applies*. The same consequences apply to your spouse's IRA if your spouse engages in a prohibited transaction with his or her own IRA. In general, a "prohibited transaction" means any direct or indirect (1) sale or exchange, or leasing, of any property between a disqualified person and the IRA; (2) lending of money or other extension of credit between a disqualified person and the IRA; (3) furnishing of goods, services or facilities between a disqualified person and the IRA; (4) transfer to or use by or for the benefit of a disqualified person of the income or assets of the IRA; (5) dealing by the disqualified person who is a fiduciary with the assets of the IRA in his own interest or for his own account; or (6) receipt of any consideration for his own personal account by any disqualified person who is a fiduciary from any party dealing with the IRA in connection with a transaction involving the income or assets of the IRA. For this purpose, "disqualified persons" means generally the individual for whom the IRA is maintained, such individual's family members, and any person or entity from which the IRA participant derives a personal benefit, or a business or other entity (such as a trust) in which you have a 50% or greater interest, or, if your employer contributes to your IRA, between the IRA and your employer or an owner of your employer. If someone other than the owner or beneficiary of an IRA engages in a prohibited transaction, that person may be liable for certain penalty taxes. In general, there is a 15% tax on the amount of the prohibited transaction and a 100% additional tax if the transaction is not corrected.

Examples of prohibited transactions are: borrowing from your IRA or "pledging" (guaranteeing) any debt using the assets of your IRA; engaging in a cross trade between your nonIRA brokerage account and your IRA; investing IRA assets in a residence for personal use (present or future); selling or leasing property to your IRA; or, buying or leasing property from your IRA. The extension of credit between the IRA and the Custodian or any of its subsidiaries or affiliated companies is also a prohibited transaction.

(2) Pledging IRA Assets—Tax Treatment: If you use all or any portion of an IRA as security for a loan, then the portion so used is treated as distributed to you and, to the extent such portion is attributable to deductible contributions and earnings, will be included in your income for the taxable year during which you so use the IRA. Further, you may be subject to 10% of the amount pledged if you pledge your IRA before you attain age 59½.

(3) Collectibles Purchased In the Account: If you use IRA assets to acquire "collectibles" such as artworks, rugs, antiques, metals, gems, stamps, coins, alcoholic beverages or any other tangible personal property classified by the Department of the Treasury as a collectible within the meaning of Code Section 408(m), the assets so used will be treated as having been distributed to you in an amount equal to the cost of the collectibles. There is a limited exception to this rule for certain coins and bullion; please confirm with your Financial Advisor or Private Wealth Advisor whether or not Morgan Stanley currently permits coins and/or bullion to be held in your Account.

(C) FEDERAL INCOME TAX WITHHOLDING

We will withhold Federal income tax at the rate of 10% from each taxable portion of a distribution from your IRA unless you (or your Beneficiary) elect, on a form acceptable to us, not to have such amount withheld. Distributions sent to you or your Beneficiary at an address outside of the United States or its possessions are subject to withholding.

(D) FEDERAL PENALTY TAXES

(1) Penalty Tax on Premature Distributions. A penalty tax of an amount equal to 10% of the taxable portion of your IRA distribution (or deemed distribution) is imposed if your distribution is made before you attain age 59½ unless it is made for any one of the following reasons:

(i) if on account of your death;
(ii) if after you become Disabled;
(iii) if as part of a scheduled series of substantially equal payments made at least annually until the later of 5 years or your attaining age 59½ calculated using the life expectancy of you alone or jointly with your Beneficiary;
(iv) if transferred as a Rollover Contribution to another IRA, to a Roth IRA or to an eligible retirement plan (a plan established under Code Sections 401(a), 401(k), 403(a), 403(b) or 457);
(v) if a Qualified First-time Homebuyer Distribution but not in excess of a $10,000 lifetime limit;
(vi) if to pay Qualified Higher Education Expenses;
(vii) if to pay Qualified Medical expenses in excess of 7.5% of your AGI;
(viii) if paid to you after separation from employment (or within 60 days of re-employment) in the same or next succeeding taxable year after you have received (or would have received but for your self-employment) Federal or state unemployment compensation for at least 12 consecutive weeks as a result of such unemployment provided the IRA distribution is used to pay premiums for health care coverage during such period of unemployment;
(ix) if a transfer of an interest in your IRA under a court order of divorce, separation or division of property;
(x) if the distribution is a Qualified Reservist Distribution; or
(xi) if the distribution is a Disaster-Related Distribution.

(2) 6% Excise Tax on Excess Contributions. An excise tax equal to 6% of any "excess contributions" (except for SEP and SAR-SEP contributions) is imposed for the taxable year in which such contributions are made and for each later year until the excess amount is eliminated under Code Section 4973. For SEPs and SAR-SEPs, if your employer (or you, if you are self-employed) contributes an amount to a SEP or SAR-SEP that exceeds allowable deduction limits for the employer or you, if applicable, a 10% tax will apply to the amount that exceeds those limits under Code Section 4979.

An "excess contribution" is the portion of a contribution to your IRA in excess of the amount that you may contribute or which qualifies for a rollover. If the excess contribution and the earnings thereon are withdrawn prior to the due date for filing your Federal income tax return (including any extensions) for the year for which the contribution was made, the 6% excise tax will not be imposed and the contributions and earnings will be treated as taxable income in the year in which you make the excess contribution. Any earnings so withdrawn will also be subject to the penalty tax on premature distributions unless one of the exceptions to that tax applies (see Section X (D) (1) above). If you withdraw the excess contribution after your Federal income tax return is due, you do not claim a deduction for the excess amount and your aggregate contributions did not exceed applicable limits, the 6% penalty tax will still be due but the withdrawal will not be treated as a taxable distribution in the year it is taken.

On the other hand, if your aggregate contributions exceeded applicable limits and you withdraw the excess after your Federal income tax return due date, you will owe the 6% penalty tax and you must include the withdrawn amount in your taxable income for the year of the withdrawal. Such withdrawals are subject to the 10% penalty tax on premature distributions unless another exception applies.

(3) 50% Tax on Excess Accumulations. If a required minimum distribution described in Section IX (C) above is not made by its due date, a 50% excise tax is imposed on the difference between the RMD and the amount, if any, actually distributed to you or your Beneficiary during the year under Code Section 4974.

(E) REPORTS TO THE INTERNAL REVENUE SERVICE.

You must file IRS Form 8606 with your Federal income tax return for each year for which you make an IRA nondeductible contribution or receive an IRA distribution part of which is attributable to your nondeductible IRA contributions.

You must file IRS Form 5329 with the Internal Revenue Service for the taxable year during which you take an IRA distribution that is subject to any of the penalty taxes described above.

(F) INTERNAL REVENUE SERVICE APPROVAL.

The Morgan Stanley IRA has been approved by the IRS as to the form of the Plan only, and does not represent any endorsement or determination of the merits of opening such IRA at Morgan Stanley.

(G) ADDITIONAL INFORMATION.

You may obtain further information about the Federal income taxation of individual retirement programs from any District Office of the Internal Revenue Service, or from the IRS website, www.irs.gov. You may want to review Publication 590, Individual Retirement Arrangements.

XI. State Tax Rules

Some states and localities may have tax rules differing from the Federal rules with respect to IRA accounts. You should consult your tax advisor in this regard.

XII. Federal Estate and Gift Tax Rules

Amounts held in your Morgan Stanley IRA are includible in your gross estate for Federal estate tax purposes (although IRA assets for which a nonestate Beneficiary is selected are not generally considered to be probate assets in most state jurisdictions). Furthermore, post-death distributions to your Beneficiary may constitute income in respect of a decedent for income tax purposes. For further information about how your IRA account may fit in with your estate, consult your estate or tax advisor.

XIII. Client Agreement and Arbitration

The brokerage account components of your IRA are subject to the terms and conditions contained in the Client Agreement with Morgan Stanley, which include, among other requirements (e.g., Patriot Act disclosures), a pre-dispute arbitration provision. Any claims or controversies are subject to an arbitration clause as set forth in the Client Agreement.

XIV. Additional Financial Information

(A) ACCOUNT MAINTENANCE AND OTHER FEES

(1) Fee Schedule. A Fee Schedule is provided in Section XVI of this Disclosure Statement, listing the account fees described below, as well as additional fees that may be assessed against the IRA for additional services. This Fee Schedule may be supplemented or amended by the Custodian upon notice.

(2) Timing and Payment Methods for the Maintenance Fee. The annual maintenance fee shall be charged for any calendar year or portion of any calendar year during which you have an IRA with us. Fees are due and payable on the following dates: (a) when you open your IRA; (b) for subsequent years, annual maintenances fees will be due on or after the 10th business day of the quarter-ending month on or after your account's anniversary month (if your account remains open on that date); and (c) the day you terminate or transfer your IRA.

The maintenance fee due when you open your IRA may be paid by means of a check made payable to the Custodian, a written direction to transfer funds from another Morgan Stanley nonretirement account or by directing Morgan Stanley to deduct the fee from funds you are transferring or rolling over from an eligible retirement plan at another institution. Your annual maintenance fee for subsequent years will be automatically debited from the IRA unless you elect in writing one of the following methods: (i) payment by means of a check made payable to Morgan Stanley or (ii) transfer of funds from another eligible Morgan Stanley nonretirement account (if possible) and, in the event payment is not made sooner under one of these two elections, the annual maintenance fees will be automatically debited from the IRA on or after the 10th business day of the quarter-ending month on or after your account's anniversary month. The maintenance fee that may be due upon the termination or transfer of your account will be automatically debited from your IRA account in addition to the termination or transfer fee. To effect the payment of fees from an account when the fees are automatically debited, Morgan Stanley will liquidate assets in accordance with Section 6.3(f) of the Morgan Stanley Individual Retirement Plan.

(3) Low Balance Household Fee. A Low Balance Household Fee will be charged quarterly to Morgan Stanley households which do not meet certain criteria. Morgan Stanley reserves the right to waive this fee, as described in (d) below. The details of the Low Balance Household fee are contained in the Fee Schedule included in this Disclosure Statement, as amended from time to time by us. The Fee will be charged to only one account in the household. Only Active Assets Accounts, Basic Securities Accounts and IRAs (Traditional or Roth) can be charged the fee. Your IRA balance will be used to determine whether this fee applies and the fee may be deducted from your IRA if you do not have enough assets in an Active Assets Account or Basic Securities Account to pay the fee.

(4) Fee Waivers. Morgan Stanley may, in its sole discretion, elect to discount or waive certain fees, including but not limited to IRA account fees, for certain customers. Morgan Stanley reserves the right to amend when fees are due and payable. To learn about the availability of any fee discounts or waivers, please contact your Morgan Stanley Financial Advisor or Private Wealth Advisor.

(B) OTHER COMPENSATION EARNED BY MORGAN STANLEY AND ITS AFFILIATES

(1) Float. The Participant understands that the Custodian may retain, as compensation for its provision of services, your Account's proportionate share of any interest earned on aggregate cash balances held by Morgan Stanley or an affiliate with respect to assets awaiting investment. Such interest retained by the Custodian shall generally be at the prevailing Federal Funds interest rate.

"Assets awaiting investment" for these purposes include: (1) new deposits to the Account, including interest and dividends; and (2) any uninvested assets held by the Account caused by an instruction to the Custodian to purchase and sell securities (which may, after the period described below, be automatically swept into a sweep vehicle). With respect to such assets awaiting investment: (i) where such assets are received by the Custodian on a day on which the New York Stock Exchange is open ("Business Day") and before the close of the New York Stock Exchange on that day, such interest shall be earned by the Custodian through the end of the following Business Day; or (ii) where such assets are received on a Business Day but after the close of the New York Stock Exchange on such day, or on a day which is not a Business Day, such interest shall be earned through the end of the second following Business Day.

(2) Disclosure Regarding Payment for Order Flow and ECNs. Morgan Stanley is committed to providing best execution for customer orders. In furtherance of this commitment, Morgan Stanley considers several factors, including price, the available liquidity pool, execution speed, transaction costs, service and opportunities for price improvement in determining where to route customer orders for execution. Industry regulations require that we disclose whether we receive compensation for directing client orders for execution to various dealers, exchanges or market centers. This compensation is commonly referred to as "payment for order flow." Consistent with these considerations, Morgan Stanley and/or its affiliates accept benefits that constitute payment for order flow. Morgan Stanley routes customer orders to national securities exchanges, alternative trading systems ("ATSs"), including electronic communications networks ("ECNs"), and other market centers. Certain market centers offer cash credits for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books. From time to time, the amounts of credits that Morgan Stanley and/or its affiliates receive from one or more of such market centers may exceed the amount that is charged. Under these limited circumstances, such payments would constitute payment for order flow. Notwithstanding the foregoing, Morgan Stanley regularly and rigorously monitors the quality of the executions provided by all market centers to which customer orders are routed to ensure those market centers are providing the best execution reasonably available under the circumstances. Additional information regarding these disclosures will be provided upon written request and certain order routing information is available online at www.morganstanleyindividual.com/CustomerService/Disclosures/#2.

Morgan Stanley and/or its affiliates have ownership interests in and/or Board seats on ECNs or other ATSs. In certain instances, Morgan Stanley and/or its affiliates may be deemed to control one or more of such ECNs or ATSs based on the level of such ownership interests and whether Morgan Stanley and/or its affiliates are represented on the Board of such ECNs or ATSs. Morgan Stanley and/or its affiliates may from time to time, directly or indirectly, effect client trades through ECNs or other ATSs in which Morgan Stanley and/or its affiliates have or may acquire an interest or Board seat, and Morgan Stanley and/or its affiliates may thereby receive an indirect economic benefit based upon their ownership in the ECNs or other ATSs. Morgan Stanley and/or its affiliates will, directly or indirectly, execute through an ECN or other ATS in which it has an interest only in situations where Morgan Stanley and/or its affiliates, or the broker-dealer through whom they are accessing the ECN or ATS, reasonably believes such transaction will be in the best interest of its clients and the requirements of applicable law have been satisfied.

In particular, pursuant to certain arrangements that were entered into in connection with the formation of Morgan Stanley, it is contemplated that Morgan Stanley, subject at all times to its obligations to obtain best execution for its customers' orders, will route certain customer order flow to its affiliates, Morgan Stanley & Co. LLC and Citigroup Global Markets, Inc. Furthermore, currently, Morgan Stanley and/or its affiliates (including affiliates of Morgan Stanley & Co. LLC and Citigroup Global Markets Inc.) own over 5% of the voting securities of certain ECNs or ATSs, including: (i) BATS Trading, Inc., operator of BATS Electronic Trading Network (commonly referred to as "BATS"); (ii) the entities that own and control the Block Interest Discovery Service (commonly referred to as "BIDS"); (iii) LavaFlow Inc.; (iv) EBX Group, LLC; (v) ELX Futures Holdings, LLC; (vi) ELX Futures, LP; (vii) The MuniCenter; (viii) Boston Options Exchange, LLC; (ix) FX Alliance Inc.; (x) National Securities Exchange; (xi) the entity that owns and controls Pure Trading (Canadian Trading and Quotation System Inc., or "CNQ"); (xii) Optifreeze (Ballista Securities); (xiii) Liquidity Hub Limited; (xiv) NYSE Life US; (xv) OTC DerivNet; (xvi) TradeWeb; (xvii) Green Exchange Holdings LLC; and (xviii) MARKIT. Other exchanges, ECNs or ATSs on which Morgan Stanley may execute trades for client accounts include Archipelago, eSpeed, Instinet, NYFIX, Track ECN, BondDesk, ValuBond, and MarketAxe. The ECNs and ATSs on which Morgan Stanley trades for client accounts and in which Morgan Stanley and/or its affiliates own interests may change from time to time. You may contact your Financial Advisor or Private Wealth Advisor for an up-to-date list of ECNs and ATSs in which Morgan Stanley and/or its affiliates own interests.

(3) Brokerage Expenses. To the extent separately charged (as opposed to being included in any Managed Account fee), brokerage expenses will be charged against your IRA and will be provided to you through securities transaction confirms.

(C) OTHER EXPENSES.

Any taxes of any kind which may be imposed with respect to your IRA and any reasonable expenses incurred by us in the administration of your IRA together with any fees referred to above, shall be paid by you or, if not timely paid, will be charged against your IRA.

XV. Definitions

Any capitalized term used in this Disclosure Statement that is not defined in the text when the term first appears shall have the meaning set forth below. Any capitalized term used but not defined in this Disclosure Statement shall have the meaning given to it in Article I of the Morgan Stanley IRA document.

1. "Adjusted Gross Income" or "AGI" is your total income less certain deductions as shown on your Federal income tax return, but modified under Code Section 219(g)(3)(A), by adding in certain otherwise excludible income and deductions such as foreign earned income, adoption assistance or expenses, income from U.S. Savings Bonds used to pay Qualified Higher Education Expenses, student loan interest and deductible Traditional IRA contributions.

2. "Modified Adjusted Gross Income" or "MAGI" is your AGI but does not include a taxable conversion amount or, for taxable years after 2004 required minimum distributions. MAGI is used to determine your ability to deduct Traditional IRA contributions as well as to determine your eligibility to contribute to a Roth IRA.

3. "Disabled" shall mean you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or be of long-continued and indefinite duration. Under Code Section 72(m)(7) you must, if requested by the IRS, be able to furnish proof of your disability in a form and manner acceptable to the IRS.

4. "Qualified First-Time Homebuyer Distribution" shall mean any distribution used, within 120 days of the date the distribution is received, to pay for the acquisition, construction or reconstruction of the principal residence of the Participant, Participant's spouse or the child, grandchild or ancestor of the Participant or Participant's spouse, provided that the individual for whom the principal residence is acquired or constructed (and the individual's spouse) had no present ownership interest in a principal residence during the two-year period ending on the date a binding contract to acquire the principal residence was entered into or on which construction or reconstruction of the principal residence commenced. The aggregate amount of distributions received by the Participant during the Participant's lifetime which may be treated as Qualified First-time Homebuyer Distributions may not exceed $10,000.

5. "Qualified Higher Education Expenses" shall mean tuition, fees, books, supplies and equipment required for, and expenses for special needs services incurred in connection with, the enrollment or attendance of the Participant, the Participant's spouse or the child (as defined in Code Section 152(f)(1)) or grandchild of the Participant or Participant's spouse, at an eligible educational institution (as defined in Code Section 529(e)(5)) reduced, for any taxable year, by any amount paid for the benefit of the student consisting of a qualified scholarship, qualified educational assistance allowance or similar payment or qualified distributions from a qualified tuition program or an Education Savings Account which is excludible from gross income under the Code or any other Federal law. Qualified Higher Education Expenses also include room and board for students who are at least half-time up to the greater of the educational institution's allowance for room and board in its cost of attendance (as described in Section 472 of the Higher Education Act) or the amount actually charged for room and board to a student residing in the institution's housing.

6. "Qualified Medical Expenses" shall mean any amount paid for medical care (as defined in Code Section 213(d)) which you would be allowed to treat as a deductible medical expense if you itemized your deductions for that year. For purposes of exempting a distribution from the 10% premature distribution penalty tax, it is not required that you actually itemize your deductions for the relevant year.

7. "Disaster-Related Distributions" currently include certain IRA distributions made before 2007 to individuals who sustained economic losses on account of Hurricane Katrina, Rita or Wilma, before 2009 to individuals who sustained losses attributable to the Kansas storms and tornados of May 4, 2007, and before 2010 to individuals who sustained losses attributable to certain Midwestern storms, tornados or flooding in 2008, if certain requirements, set forth in Code section 1400Q (a), are satisfied. The total of an individual's Disaster-Related Distributions from all IRAs and employer plans is limited to $100,000. Congress may permit other Disaster-Related Distributions from time to time.

8. "Qualified Reservist Distribution" shall mean a distribution made from an IRA to a member of a reserve component ordered or called to active duty after September 11, 2001, if certain requirements are met. Under Code section 72(t)(2)(G), the individual must be ordered or called to active duty for a period in excess of 179 days or for an indefinite period. In addition, the distribution must be made during the period beginning on the date of such order or call and ending at the close of the active duty period.

XVI. IRA Fee Schedule (Effective April 1, 2012)

This Fee Schedule is part of the Morgan Stanley Individual Retirement Plan Document, but may be changed upon notification to the Participant in accordance with Article X of the Individual Retirement Plan. Morgan Stanley reserves the right, in its sole discretion, to elect to discount or waive certain fees, including but not limited to Morgan Stanley's IRA maintenance fees, for certain customers. To learn about the availability of any fee discounts or waivers, please contact your Morgan Stanley Financial Advisor or Private Wealth Advisor.

(A) ACCOUNT FEES:

Annual Maintenance Fee: $75

Account Termination Fee: $95 per account

Account Transfer Fee: $95 per account

Note: In the event that both the termination and transfer fees apply, only the transfer fee will be assessed.

(B) DESCRIPTION OF FEES:

(1) Maintenance Fees: The annual maintenance fee shall be charged for any calendar year or portion of any calendar year during which you have an IRA with us. Maintenance fees are due and payable on the following dates: (a) when you open your IRA; (b) for subsequent years, annual maintenance fees will be due on or after the 10th business day of the quarter - ending month on or after your account's anniversary month (if your IRA remains open on that date); and (c) the day you terminate or transfer your IRA.

The maintenance fee due when you establish your IRA may be paid by means of a check made payable to the Custodian, a written direction to transfer funds from another Morgan Stanley nonretirement account or by directing Morgan Stanley to deduct the fee from funds you are transferring or rolling over from an eligible retirement plan at another institution. Your annual maintenance fee will be automatically debited from the IRA unless you elect in writing one of the following methods: (i) payment by means of a check made payable to Morgan Stanley or (ii) transfer of funds from another eligible Morgan Stanley nonretirement account (if possible) and, in the event payment is not made sooner under one of these two elections, the annual maintenance fees will be automatically debited from the IRA on or after the 10th business day of the quarter-ending month on or after your account's anniversary month (if your IRA remains open on that date). The maintenance fee that may be due upon the termination or transfer of your account will be automatically debited from your IRA account. To effect the payment of fees from an account when the fees are automatically debited, Morgan Stanley will liquidate assets in accordance with Section 6.3(f) of the Morgan Stanley Individual Retirement Plan.

(2) Termination/Transfer Fees: Account termination or transfer fees are charged when your IRA is closed. Termination fees are not charged if the account is distributed in any year following your disability or death or at age 75 or older. The Account Transfer Fee will be imposed for any or all account assets transferred from your Morgan Stanley IRA to another financial institution. In the event that both the termination and transfer fees would apply, only the transfer fee will be assessed.

(3) Brokerage/Advisory/Transaction Expenses: Brokerage commissions/fees, and other transaction related expenses will be charged directly to your IRA. The amount of any advisory or Managed Account fees will be as set forth in the applicable Managed Account Agreement.

(C) LOW BALANCE HOUSEHOLD FEE:

(1) Currently, a Low Balance Household* Fee of $50 per calendar quarter will be charged to households with less than $25,000 in Eligible Assets and Liabilities subject to the householding rules applicable to your account(s).** The fee will be charged to only one account in the household. Only Active Assets Accounts, Basic Securities Accounts and Morgan Stanley IRAs (Traditional or Roth) can be charged the fee.

All accounts within a household will be included in determining the total household value. Certain qualified plans and other accounts may not be eligible for householding with other account types. Accounts enrolled in the following services will be reviewed to determine whether the low balance threshold has been reached, but will not be charged the fee: managed-account programs, Choice Select℠, Stock Option Plans ("SOPs"), Coverdell Education Savings, College SAVE 529, SEP, SIMPLE, VIP and RPM accounts.

(2) If there is more than one eligible account in the household to be charged, then:

- Active Assets Accounts (including Business Accounts but excluding BusinesScape Accounts) will be charged before Basic Securities Accounts:
- Basic Securities Accounts will be charged before IRAs.
- If there are no Active Assets Accounts or Basic Securities Accounts, then IRAs will be charged.
- Clients new to Morgan Stanley have until one year from the date the new household has been established before the Low Balance Household Fee is charged.

(D) OTHER CHARGES: Please ask your Financial Advisor or Private Wealth Advisor for information about other fees that may apply to your IRA relating to services that are now, or may be offered in the future.

* A household comprises one or more accounts formally grouped under one individual designated as the Head of Household. Certain accounts can be included in the household if the account address matches the Head of Household address or if the account owner qualifies, based on his/her familial relationship to the Head of Household.

** Eligible Assets and Liabilities refers to certain assets and liabilities that you have with the Custodian and may include equities, bonds, CDs, alternative investments, unit investment trusts, exchange-traded funds, mutual funds, 529 plans, insurance and annuities, as well as outstanding balances on Morgan Stanley Home Loans, also known as CreditSource® mortgages and home equity products (if you have consented to share this balance information), and margin loans. The Morgan Stanley Home Loans, also known as the CreditSource Program, is offered, and residential loans are made, by Morgan Stanley Credit Corporation and affiliated companies. Morgan Stanley Smith Barney LLC is not the lender. We arrange, but do not make, loans. Not all assets and liabilities qualify for the Benefits Programs. Contact your Financial Advisor or Private Wealth Advisor for more information regarding householding.

Morgan Stanley Roth IRA (Effective as of October 1, 2012)

Morgan Stanley Smith Barney LLC ("Morgan Stanley") hereby establishes the Morgan Stanley Roth IRA document for the purpose of establishing and maintaining Roth IRAs described in Section 408A of the Internal Revenue Code of 1986, as amended. Morgan Stanley Smith Barney LLC or an affiliate of Morgan Stanley will act as Custodian of all Roth IRAs established hereunder. The Roth IRA consists of the Roth IRA document, and the separate Morgan Stanley Adoption Agreement and Morgan Stanley Client Agreement (which may be a separate Client Agreement or a component of a master brokerage account agreement), each of which has been executed by (or on behalf) of the individual for whom the Roth IRA is established (the "Participant"). All such Roth IRAs shall be maintained for the exclusive benefit of the individuals for whom such Roth IRAs have been established or their Beneficiaries. If this is an inherited IRA within the meaning of Code Section 408(d)(3)(C) maintained for the benefit of a designated Beneficiary of a deceased Participant, references in this document to the "Participant" are to the deceased Participant, unless otherwise provided. This Roth IRA document is effective as of October 1, 2012 for all Morgan Stanley Roth IRAs regardless of the date the Roth IRA was first established.

Article I — Definitions

1.1 "ADOPTION AGREEMENT" shall mean the agreement signed by each individual establishing a Roth IRA.

1.2 "BENEFICIARY" shall mean the person or persons designated by a Participant or the Participant's surviving spouse, if appropriate, to receive any undistributed amount credited to the Participant's Roth IRA at the time of the Participant's death. The Participant may designate one or more Beneficiaries at any time and from time to time including one or more contingent Beneficiaries who shall receive an interest in the Roth IRA in the manner elected by the Participant only if one or more other Beneficiaries predecease the Participant, disclaim their interest in the Roth IRA or are otherwise disqualified from receiving an interest in the Roth IRA. The general requirements for Beneficiaries under this Roth IRA document are set forth below.

(a) Non-Person Beneficiaries: A trust, estate, charitable organization or other entity that is not an individual may be designated as a Beneficiary.

(b) Form of Beneficiary Designation/"Default Beneficiaries": No designation of Beneficiary shall be effective until received by the Custodian, in writing, in a form acceptable to the Custodian. The Custodian shall act upon the last dated and signed designation of Beneficiary actually received by the Custodian in an acceptable form during the lifetime of the Participant. In the event no designated Beneficiary survives the Participant, or if the designated Beneficiary cannot be found, or if the Participant fails to designate a Beneficiary, in writing in a form acceptable to the Custodian prior to the Participant's death, the Custodian shall pay death benefits under the Roth IRA in accordance with the following default rules:

(i) to the surviving spouse of the Participant, if any;

(ii) if no surviving spouse, then to the Participant's surviving children (naturally born or legally adopted) in equal shares;

(iii) if no surviving spouse and if no children survive the Participant, then to the Participant's surviving parents in equal shares, or 100% to the surviving parent; and

(iv) if no surviving spouse, no surviving children and if no surviving parents of the Participant, then to the personal representative of the Participant's estate, on behalf of the estate.

(c) Beneficiary Disclaimers: A Beneficiary, whether designated by the Participant or designated by operation of this Section 1.2, may disclaim all or part of the Beneficiary's interest in the Roth IRA by giving written notice of such disclaimer to the Custodian. If the Custodian receives a disclaimer that satisfies the requirements of Section 4.3(c)(II) below, the Roth IRA shall be distributed as if the disclaiming Beneficiary had predeceased the Participant.

(d) Subsequent Designation of Remainder Beneficiary: The Beneficiary designated hereunder may, following the death of the Participant, establish an Inherited Roth IRA and name an individual, trust, estate or other entity to receive any minimum required distributions under Section 4.3, which are scheduled to be paid after the Beneficiary's death. Upon the death of the original Beneficiary, such individual, trust, estate or other entity shall be the Beneficiary for all purposes except for the provisions of (i) Section 4.3 relating to minimum required distributions, and (ii) 1.2 relating to default Beneficiary designations (the limitations of which are described in more detail in Section 1.2(g) below).

(e) Community Property State Beneficiary Designations: A Participant residing in a community property state who wishes to designate a Beneficiary other than the Participant's spouse must obtain the written consent of the spouse to the designation. Such consent shall be intended to transmute and voluntarily relinquish the spouse's community property interest in the Participant's Roth IRA. In the event that the Participant's spouse's consent is not obtained as of the time of the Participant's death, and the spouse asserts a claim to such Participant's Roth IRA, such Beneficiary designation will not be considered by the Custodian to have been received in an acceptable form, but only to the extent of such spouse's community property interest (as demonstrated to the Custodian by such surviving spouse either through a legal opinion or valid court order) and all other elections made on such form will apply. In the absence of any conclusive determination presented by the Beneficiaries with respect to these matters, the Custodian may take such further action including, but not limited to actions described in Sections 6.5 and 6.8.

(f) Effect of Divorce on Beneficiary Designation: If the Participant has designated his or her spouse as a Beneficiary then, effective immediately upon the divorce, annulment or other lawful dissolution of their marriage, the designation of the ex-spouse as Beneficiary shall be null and void. The Roth IRA will, upon the death of the Participant, be distributed as if the ex-spouse had predeceased the Participant. If the Participant, whether voluntarily or pursuant to a court order or agreement, determines to retain the ex-spouse as a Beneficiary, the Participant must submit a new designation of Beneficiary, in an acceptable form, dated after the date of the divorce, annulment or other lawful dissolution of the marriage, except to the extent a court order might otherwise provide.

(g) Application of Default Beneficiary Provisions — Special Circumstances: If the sole Beneficiary of a Roth IRA (including a

Roth IRA that has been created by dividing a decedent's Roth IRA into separate Inherited Roth IRAs following the death of the Participant) fails to designate a Beneficiary or the Beneficiary cannot be found, the default provisions provided in Section 1.2(b) will apply for the purposes of determining who is entitled to receive the Roth IRA (with the term "Beneficiary" replacing the term "Participant" in Section 1.2(b)(i)-(iv)). In the event a remainder Beneficiary that is a natural person as described in Section 1.2(d) above dies after receiving benefits, amounts will be payable to his/her estate in a lump sum payment.

(h) Powers of Appointment: When the Participant is alive, no Beneficiary or representative of the Participant may act as the Participant to provide directions or instructions with respect to the Participant's Roth IRA, unless authorized to do so in a manner acceptable to the Custodian and permitted by law.

1.3 "CATCH-UP CONTRIBUTIONS" shall mean, in the case of a Participant who is 50 or older as of the last day of the year for which a contribution is made, the Maximum Annual Contribution (as defined in Section 1.7 below) shall be increased by $1,000 for any taxable year beginning in 2006 and years thereafter. Catch-Up Contributions that may be made by or on behalf of the same Participant for any taxable year to a Roth IRA established hereunder shall be reduced by the amount of Catch-Up Contributions made by or on behalf of the same Participant to any other Roth IRA or Traditional IRA for the same taxable year. The Roth IRA shall be interpreted to deem any Participant's contribution that exceeds the Maximum Annual Contribution, as defined in Section 1.7, but not an amount greater than the dollar amounts set forth in this Section 1.4, to be a Catch-Up Contribution unless the Participant elects to treat such amount as an Excess Contribution described in Section 2.8.

1.4 "CODE" shall mean the Internal Revenue Code of 1986, as amended.

1.5 "COMPENSATION" shall mean all wages, salaries, professional fees or other amounts derived from or received by a Participant during the Participant's taxable year for personal services actually rendered during that year, including but not limited to commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips and bonuses as well as earned income, as defined in Code Section 401(c)(2), exclusive of deductible contributions made to a self-employed retirement plan. For purposes of this definition, Code Section 401(c)(2) shall be applied as if the term "trade or business" for purposes of Code Section 1402 included service described in Code Section 1402(c)(6). Compensation shall also include any amount includible in a Participant's gross income under Code Section 71 with respect to a divorce or separation instrument described in Code Section 71(b)(2)(A). Compensation shall not include amounts derived from or received as earnings or profits from property (including, but not limited to, interest and dividends), amounts received as pensions, annuities or deferred compensation or amounts not includible in the Participant's gross income for Federal income tax purposes (determined without regard to Code Section 112). In the case of a married Participant filing a joint return, the greater Compensation of such Participant's spouse is treated as the Participant's own Compensation but only to the extent that such spouse's Compensation is not being used for purposes of the spouse making an IRA contribution. The term "Compensation" also includes any differential wage payments as defined in Code Section 3401(h)(2).

1.6 "CUSTODIAN" shall mean Morgan Stanley Smith Barney LLC, a Delaware corporation, or its successor or eligible assignee, or an affiliate designated by Morgan Stanley Smith Barney LLC to act as Custodian of Roth IRAs established or maintained hereunder. In the event that Morgan Stanley Smith Barney LLC is merged with an unaffiliated legal entity where Morgan Stanley Smith Barney LLC is not the surviving corporation, or if Morgan Stanley Smith Barney LLC is acquired, in whole or in part, by another unaffiliated legal entity who acquires the custodial IRA business of Morgan Stanley Smith Barney LLC, such entity shall become Custodian under this document, so long as (a) the terms of such operative documents providing for the assumption of the role of IRA Custodian by the acquisition or merger specify the assumption of the IRA Custodianship and (b) such successor or acquiring entity satisfies the requirements under the Code and applicable Federal and state law for serving as an IRA Custodian. In the event of an internal corporate reorganization of the Morgan Stanley group which includes Morgan Stanley Smith Barney LLC and its affiliates where Morgan Stanley Smith Barney LLC is not a surviving entity but one or more of its affiliates are, any such successor entity shall, if otherwise satisfying the requirements under the Code and applicable Federal and state law, automatically become Custodian of this Roth IRA as of the date of such reorganization. In the event that Morgan Stanley Smith Barney LLC shall merge, be acquired, or be reorganized and the foregoing provision of this Section 1.6 does not provide a successor Custodian to Morgan Stanley Smith Barney LLC, the Participant shall appoint a successor Custodian in accordance with Section 8.2.

1.7 "MAXIMUM ANNUAL CONTRIBUTIONS" shall mean:

(a) With respect to Roth IRA Contributions made by or on behalf of a Participant for a taxable year, an amount that does not exceed the lesser of (i) the Code Section 219(b)(5)(C) limits ($5,000 for any taxable year beginning in 2008 and years thereafter), or (ii) 100% of the Participant's Compensation (or, for Spousal Roth IRA Contributions, the aggregate Compensation described in Section 2.4 (b) below), reduced by (c) the amount of any contributions made by or on behalf of the Participant (or, in the case of Spousal Roth IRA Contributions, the Participant's spouse) to another Roth IRA or to a Traditional IRA for the same taxable year. After 2008, the dollar amounts set forth in (a) above will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 219(b)(5)(D). Such adjustments will be in multiples of $500.

(b) In the case of an individual who is 50 or older, the annual cash contribution limit is increased by $1,000 for any taxable year beginning in 2006 and years thereafter. See also Section 1.3 above (relating to Catch-Up Contributions generally in the case of an individual who is 50 or older.

(c) In addition to the amounts described in Section 1.7 (a) and (b) above, an individual may make additional contributions specifically authorized by statute—such as repayments of qualified reservist distributions, repayments of certain plan distributions made on account of a federally declared disaster and certain amounts received in connection with the Exxon Valdez litigation. Contributions may be limited under 2.3(b) and 1.7(e) below.

(d) In addition to the amounts described in Section 1.7 (a) and (c) above, an individual who was a Participant in a Section 401(k) plan of a certain employer in bankruptcy described in Code Section 219(b)(5)(C) may contribute up to $3,000 for taxable years beginning after 2006 and before 2010 only. An individual who makes contributions under this Paragraph (c) may not also make contributions under this Section 1.7 (b) and Section 1.3 (relating to Catch Up Contributions in the case of an individual who is 50 or older).

(e) If this is an inherited IRA within the meaning of Section 408(d)(3)(C), no contributions will be accepted.

1.8 "MAGI" OR "MODIFIED AGI" shall mean adjusted gross income as reported on an individual's Federal income tax return but modified, in accordance with Code Section 408A(c)(3)(C), by subtracting Roth IRA conversions and Roth IRA rollovers from qualified plans and for taxable years after 2004, minimum required distributions under Code Section 401(a)(9)(A) and adding certain otherwise excludable income and deductions such as Traditional IRA contributions, student loan interest deductions, tuition and fee deductions, domestic production activities deductions, foreign earned income exclusions, foreign housing deductions, or exclusions, employer-provided, adoption assistance and income from U.S. Savings Bonds used to pay qualified higher education expenses.

1.9 "PARTICIPANT" shall mean an individual establishing a Roth IRA or on whose behalf a Roth IRA is established. If a Roth IRA is established by an individual on behalf of his or her spouse, "Participant" shall mean the spouse for whom such Roth IRA is established. For purposes of Articles VI through XI, inclusive, if the Participant is deceased or if the Participant has authorized a representative, in a manner acceptable to the Custodian and permitted by law, to provide directions or instructions with respect to the Participant's Roth IRA, the term "Participant" shall also mean Beneficiary or such representative.

1.10 "QUALIFIED ROLLOVER CONTRIBUTION" means a rollover contribution of a distribution from an eligible retirement plan described in Section 402(c)(8)(B) of the Code. If the distribution is from an IRA, the rollover must meet the requirements of Code Section 408(d)(3), except the one-rollover-per year rule of Code Section 408(d)(3)(B) does not apply if the distribution is from a non-Roth IRA. If the distribution is from an eligible retirement plan other than an IRA, the rollover must meet the requirements of Code Section 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) or 457(e)(16) as applicable. A Qualified Rollover Contribution also includes (i) and (ii) below.

(i) All or part of a military death gratuity or service members' group life insurance ("SGLI") payment may be contributed if the contribution is made within one year of receiving the gratuity or payment. Such contributions are disregarded for purposes of the one-rollover-per year rule under Code Section 408(d)(3)(B).

(ii) All or part of an airline payment (as defined in Section 125 of the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA"), Pub. L. 110-458) received by certain airline employees may be contributed if the contribution is made within 180 days of receiving the payment.

1.11 "ROTH CONVERSION IRA" shall mean a Roth IRA established for the purpose of holding assets transferred from a Traditional or SIMPLE IRA as a rollover or conversion described in Code Section 408A(d)(3).

1.12 "ROTH IRA" Roth IRA shall mean an IRA described in Code Section 408A and shall include a Roth Conversion IRA.

1.13 "TRADITIONAL IRA" shall mean an individual retirement account or individual retirement annuity described in Code Section 408(a) or (b), respectively, and shall, where the context so requires, include a Traditional IRA, Spousal IRA, SEP IRA, SAR-SEP IRA, Rollover IRA or any combination thereof but shall not include a SIMPLE, Education or Roth IRA.

Article II — Contributions

2.1 ESTABLISHMENT OF ROTH IRA. Any eligible individual, the spouse of an eligible individual, any individual wishing to make a rollover contribution described in Section 2.5 or any individual wishing to effect a transfer described in Section 5.1(a), or the duly authorized representative of any such individual, may establish a Roth IRA by delivering an executed Adoption Agreement and Client Agreement to the Custodian. A duly authorized representative includes a parent, legal guardian, conservator or other court-appointed representative of a minor child or incapacitated adult, an attorney-in-fact acting under a power of attorney, the personal representative of a decedent's estate or the Beneficiary of an individual's interest in an IRA or a retirement plan described in Code Sections 401(a), 401(k), 403(a), 403(b) or 457. The Roth IRA shall be established when the Custodian accepts the Adoption Agreement. At that time, such individual shall become a Participant and shall be bound by all of the terms and conditions of the Roth IRA as set forth in this document.

2.2 REVOCATION OF PARTICIPATION. Any person who establishes a Roth IRA pursuant to Section 2.1 above may revoke, without penalty, the Roth IRA at any time within seven days after the earlier of the establishment or the purchase of the Roth IRA by notifying the Custodian in writing of such revocation.

Upon revocation of a Roth IRA under this Section 2.2, the Custodian shall return the full amount contributed by or on behalf of such person together with any fees, charges or expenses paid by such person and without regard to any change in market value of Roth IRA assets.

2.3 ROTH IRA CONTRIBUTIONS.

(a) Contributions. Except in the case of a Qualified Rollover Contribution (as defined in Section 1.10 above) or a recharacterization, as described in Section 2.5(d) below, a Participant may contribute, for any taxable year in which the Participant alone has, or the Participant and his or her spouse have, Compensation, (i) the Maximum Annual Contribution as defined in Section 1.7 above and (ii) if eligible, Catch-Up Contributions as defined in Section 1.3 above, to all of the Participant's Roth IRAs, provided the Participant's MAGI does not exceed the limits described in (b) below.

(b) Maximum Annual Contribution Limit. If (i) and/or (ii) below apply, the Maximum Annual Contribution and, if eligible, Catch-Up Contributions that can be made to all the Participant's Roth IRAs for a taxable year is the smaller amount determined under (i) or (ii).

(i) The Roth IRA Contribution limits are phased out ratably between certain levels of MAGI, as defined in Section 1.8 above, in accordance with the following table:

Federal Income Tax Filing Status	Full Contribution	Phase-Out Range	No Contribution
	Modified AGI (MAGI)		
Single or Head of Household	$95,000 or less	Between $95,000 and $110,000	$110,000 or more
Joint Return or Qualifying Widow(er)	$150,000 or less	Between $150,000 and $160,000	$160,000 or more
Married–Separate Return	$0	Between $0 and $10,000	$10,000 or more

If the Participant's Modified AGI for a taxable year is in the Phase-Out Range, the Maximum Annual Contribution determined under this table for that taxable year is rounded up to the next multiple of $10 and is not reduced below $200. After 2006, the dollar amounts above will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 408 (c)(3). Such adjustments will be in multiples of $1,000.

(ii) If the Participant makes Contributions to both Roth and Non-Roth IRAs for a taxable year, the Maximum Annual Contribution and, if eligible, Catch-Up Contributions that can be made to all the individual's Roth IRAs for that taxable year are reduced by the annual contributions made to the individual's Non-Roth IRAs for the taxable year. The total of all of a Participant's contributions to all of the Participant's Roth and Non-Roth IRAs for a single taxable year may not exceed the Maximum Annual Contribution plus, if eligible, the Catch-Up Contribution.

(c) Time for Making Contributions. Contributions to a Roth IRA for a Participant's taxable year may be made at any time and from time to time during the period from the first day of the taxable year until the date on which the Participant's Federal income tax return is due (not including extensions).

2.4 SPOUSAL ROTH IRA CONTRIBUTIONS.

(a) Eligibility. A Spousal Roth IRA may be established by or for a Participant and contributions ("Spousal Roth IRA Contributions") may be made to such Roth IRA for any taxable year, if the Participant files a joint Federal income tax return for the taxable year for which contributions are to be made and the amount, if any, of such Participant's Compensation includible in such Participant's gross income is less than the Compensation includible in the gross income of such Participant's spouse for such taxable year. Rollover Contributions are not subject to this eligibility rule.

(b) Maximum Annual Spousal Roth IRA Contributions. Spousal Roth IRA Contributions may be made in an amount up to the Maximum Annual Contribution described in Section 1.7 above plus Catch-Up Contributions (if the Participant is eligible) described in Section 1.3 above except that for this purpose, Compensation shall be the aggregate of all Compensation reported by the Participant and the Participant's spouse on their joint Federal tax return reduced by the amount of Roth and Traditional IRA contributions made by the Participant's spouse for such year.

(c) Time for Making Contributions. Spousal Roth IRA Contributions for a taxable year may be made at any time and from time to time during the period from the first day of the taxable year until the date on which the Participant's Federal income tax return is due (not including extensions).

2.5 ROLLOVER CONTRIBUTIONS.

(a) Rollovers from Roth IRAs. An individual receiving a distribution of all or a portion of the balance of a Roth IRA, as defined in Code Section 408A, may make an irrevocable election to contribute all or a portion of such distribution to a Roth IRA no later than 60 days after the distribution is made (120 days if the distribution failed to be a qualified first-time homebuyer distribution described in Code Section 72(t)(8) solely because of the delay or cancellation of the purchase or construction of the residence), provided such contribution is a Qualified Rollover Contribution as described in Code Section 408(d)(3). For this purpose, the one-rollover per-year rule of Code Section 408(d)(3)(B) does not apply if the rollover contribution is from an IRA other than a Roth IRA.

(b) Rollovers and Conversions from Traditional and SIMPLE IRAs to Roth IRAs. An individual may make a rollover contribution to a Roth IRA consisting of all or part of a distribution from a Traditional IRA or a SIMPLE IRA (after the two-year participation requirement is satisfied) provided such contribution is a Qualified Rollover Contribution as described in Code Section 408(d)(3), meeting all of the following requirements:

(i) If the distribution is made before 2010, the Traditional or SIMPLE IRA distribution is made in a taxable year for which the individual's MAGI (whether single or joint) does not exceed $100,000.

(ii) If the distribution is made before 2010, the individual is not a married taxpayer filing a separate return for the taxable year in which the Traditional or SIMPLE IRA distribution takes place. For this purpose, a married taxpayer who has lived apart from his or her spouse for the entire taxable year is treated as single.

(iii) The rollover contribution is made no later than 60 days after the Traditional or SIMPLE IRA distribution takes place (120 days if the IRA distribution failed to be a qualified first-time homebuyer distribution described in Code Section 72(t)(8) solely because of the delay or cancellation of the purchase or construction of the home).

(c) Conversions. The conversion of a Traditional or SIMPLE IRA to a Roth IRA shall be treated as a distribution and a Qualified Rollover Contribution to which this Paragraph applies. SEP, SAR-SEP and SIMPLE IRAs may be rolled over or converted to a Roth IRA provided, however, that subsequent employer contributions or employee elective deferrals to the SEP, SAR-SEP or SIMPLE may only be made to a Non-Roth IRA.

(d) Recharacterization of Contributions. Pursuant to the rules set forth in Income Tax Regulations §1.408A-5, a Participant (or a Participant's executor, administrator, legal guardian or other duly authorized representative) may elect to transfer, in whole or in part, any contribution made by the Participant to a Traditional IRA or a Roth IRA (the "First IRA") for a taxable year to another Traditional IRA or Roth IRA (the "Second IRA"). The Participant, for Federal tax purposes, shall treat the transferred contribution as having been made to the Second IRA, instead of the First IRA, as of the same date and for the same taxable year as the contribution was made to the First IRA. The Custodian may be Custodian of either or both of the First and Second IRA.

The Participant must notify the Custodian of the recharacterization and direct the transfer no later than the due date, with extensions, of the Participant's Federal income tax return for the taxable year for which the contribution was made to the First IRA. The amount that may be recharacterized is the amount contributed to the First IRA, adjusted for net income or net losses, either by transferring the entire First IRA or pursuant to a calculation under Income Tax Regulations §1.408-4(c)(2)(ii). Amounts contributed to the First IRA in a tax-free transfer may not be recharacterized except for amounts erroneously rolled over or transferred from a Traditional IRA to a SIMPLE IRA. Employer contributions (including employee elective deferrals) to a SEP, SAR-SEP or SIMPLE may also not be recharacterized. However, amounts rolled over or converted from a SEP, SAR-SEP or SIMPLE to a Roth IRA may be recharacterized back to the SEP, SAR-SEP or SIMPLE IRA, respectively. Amounts treated as excess IRA contributions for a prior year and deemed to be current-year contributions for purposes of Code Section 4973 may not be recharacterized.

All recharacterizations in which a Morgan Stanley Traditional IRA or Roth IRA is the Second IRA, shall be subject to such minimum balance requirements as may be specified by Morgan Stanley.

(e) Reconversions of Recharacterized Amounts. Pursuant to the rules set forth in Income Tax Regulations §1.408A-5 (Q&A9), an amount that has been rolled over or converted from a Traditional IRA or a SIMPLE IRA to a Roth IRA and transferred back to a Traditional or SIMPLE IRA by means of a recharacterization, may not be reconverted to a Roth IRA before the later of (i) the beginning of the next following taxable year, or (ii) 30 days after the date on which the amount was transferred back to the Traditional or SIMPLE IRA by means of the recharacterization. Any amount previously converted must be adjusted for subsequent net income to determine the amount subject to this limit on subsequent reconversions. For this purpose, a conversion which fails (and is subsequently recharacterized) because the Participant's MAGI exceeds the $100,000 applicable before 2010 limit is treated as a conversion for the purpose of applying this limit on reconversions.

Rollover IRAs that (1) qualify as conduit IRAs under Code Section 408(d)(3)(A)(ii), (2) are rolled over or converted to a Roth IRA, and (3) are subsequently recharacterized to a Rollover IRA; do not lose their status as conduit IRAs solely because of the conversion and recharacterization.

(f) Valuation of Recharacterized and Reconverted Assets. Requests to recharacterize or reconvert an Account will be processed as soon as practicable after being received in a form acceptable to the Custodian. Due to the volume of such requests and the different processes followed to transfer or liquidate different assets held in an Account, the recharacterization or reconversion may not begin for some period of time and, once begun, may take place in a series of transactions over an additional period of time. The value of Account assets transferred or liquidated in connection with a recharacterization or reconversion will be determined as of the close of business on the date of transfer, or, if liquidated, using the liquidation price received. Due to market fluctuations, the value of Account assets used for income tax reporting purposes or to determine the number of shares of a security that must be liquidated and transferred, may vary from the value on the date the request is made. Morgan Stanley will not be responsible for any market fluctuations that affect the Participant's taxable income or the number of shares of a security needed to complete the recharacterization or reconversion.

(g) Rollovers from Designated Roth Accounts under Code Section 402A. For taxable years beginning after 2005, a Rollover Contribution includes a rollover from a designated Roth account described in Code Section 402A. To the extent permitted by the Code, an individual receiving an eligible rollover distribution, within the meaning of Code Section 402(c)(4), from a designated Roth account may make an irrevocable election to contribute all or portion of such distribution to a Roth IRA no later than 60 days after the distribution is made, or may make a direct rollover from a designated Roth account to a Roth IRA.

2.6 NONFORFEITABILITY OF CONTRIBUTIONS. A Participant's interest in a Roth IRA shall be nonforfeitable at all times.

2.7 NATURE OF CONTRIBUTIONS. Only contributions described in Sections 2.3, 2.4 and 2.5, may be made to a Roth IRA. Except in the case of a rollover contribution or a conversion described in Section 2.5 above, no contributions will be accepted unless they are in cash. A rollover contribution or conversion may consist of cash and property received by the Participant in a distribution described in Section 2.5 provided that such property is of a nature and in a form acceptable to the Custodian.

2.8 EXCESS CONTRIBUTIONS. Contributions which do not qualify under, or exceed the limits set forth in, Code Sections 408(d)(3) or 408A, and any earnings on such disqualified or excess contributions, calculated under Income Tax Regulations Section 1.408-4 or any successor, may be recharacterized under Section 2.5(c) above or withdrawn from a Roth IRA upon a request from the Participant to the Custodian. Such request shall be in writing in a form acceptable to the Custodian or in such other medium as may be acceptable to the Custodian.

2.9 PRE-2011 CONTRIBUTIONS. Contributions for any taxable year beginning before January 1, 2011, including contributions made in 2011 for the 2010 taxable year, may be made to a Roth IRA established hereunder but shall be made, if at all, pursuant to applicable provisions of the Code in effect for such taxable year.

Article III — Investments

3.1 DIRECTION BY PARTICIPANT. Each Participant (or the Participant's duly authorized representative) shall direct the Custodian with respect to the investment and reinvestment of the contributions to the Participant's Roth IRA and the earnings thereon. Such direction shall include investments available for acquisition through the Custodian in its regular course of business and approved by the Custodian for investment by Roth IRAs. The Custodian will not have discretionary authority or control with respect to the investment of the Roth IRA assets, will not provide investment advice that will serve as a primary basis for the investment decisions of the Participant's Roth IRA, and will not be deemed a fiduciary of the Roth IRA, as such term is defined under Code Section 4975(e)(3) or Section 3(21) of the Employee Retirement Income Security Act of 1974 ("ERISA"), if applicable. The Custodian is not responsible for reviewing the assets in the Participant's Roth IRA, or for making recommendations on acquiring, retaining or selling any assets. Uninvested cash, dividends and distributions on shares of mutual funds or other investments held in the account that are paid in cash will be invested along with other cash balances (see Cash Balances, below).

3.2 DELEGATION OF INVESTMENT RESPONSIBILITY. The Participant (or the Participant's duly authorized representative) may delegate the authority to invest all or a portion of the Participant's Roth IRA to an agent or attorney-in-fact, including but not limited to a division or affiliate of the Custodian, by notifying the Custodian in writing on a form acceptable to the Custodian of the delegation of such investment authority, the name of the person or persons to whom such authority is delegated, any limitations upon such authority and the assets over which such agent or attorney-in-fact shall have investment authority. The Custodian shall follow the directions of such agent or attorney-in-fact and shall be under no duty to review or question any direction, action or failure to direct or act of such agent or attorney-in-fact. The Participant may revoke the agent's or attorney-in-fact's authority at any time by notifying the Custodian in writing of such revocation. The Custodian shall not be liable in any way for transactions initiated prior to receipt of such notice of revocation. The Participant (or the Participant's duly authorized representative) is responsible at all times for directing the investment of assets in the Roth IRA.

3.3 CASH BALANCES. The Participant authorizes the deposit or investment of cash balances in the Roth IRA in:

(a) deposit accounts with Morgan Stanley Bank, N.A. and or any other banking affiliate of the Custodian that bear a reasonable rate of interest;

(b) any other sweep investment vehicle specified either in the Adoption Agreement or an agreement applicable to the sweep investment vehicle for the Roth IRA; or

(c) a sweep investment vehicle otherwise made available to the Roth IRA and disclosed to the Participant.

The Custodian may amend this Section 3.3, or change the sweep investment vehicle available to the Roth IRA, at any time with notice to the Participant.

3.4 UNINVESTED CASH. The Custodian may hold uninvested cash of amounts less than $1.00 in the Participant's Roth IRA.

3.5 PROHIBITION ON INVESTMENT IN LIFE INSURANCE AND COLLECTIBLES. No portion of a Participant's Roth IRA may be invested in life insurance contracts or in any work of art, rugs, antiques, metals, gems, stamps, coins, alcoholic beverages or any other tangible personal property classified by the Secretary of the Treasury or the Secretary's delegate as a collectible within the meaning of Code Section 408(m), except that Roth IRA assets may be used to purchase certain coins and bullion, described in Code Section 408(m)(3), if the Custodian agrees to hold such assets pursuant to the requirements of Code Section 408(m).

3.6 MORGAN STANLEY ADVISORY SERVICES. The Participant may enroll the Roth IRA in a Morgan Stanley advisory service, as provided under a separate agreement.

Article IV — Distributions

4.1 IN GENERAL. A Participant (or the Participant's duly authorized representative) may direct a distribution of all or a portion of the Participant's Roth IRA at any time and from time to time in such form and in such manner as is acceptable to the Custodian. A distribution shall be made only upon notification to the Custodian pursuant to Section 4.4 below.

4.2 METHODS OF DISTRIBUTION. Subject to Section 4.3, the Participant (or the Participant's duly authorized representative) or, if the Participant is deceased, a Beneficiary, may elect to have the balance in the Participant's Roth IRA distributed in cash or in kind as follows:

(a) In a single lump sum payment;

(b) In equal or substantially equal installments at least annually over a period not extending beyond the life or life expectancy of the Participant or Beneficiary or the joint lives or joint life expectancies of the Participant and Beneficiary;

(c) By purchase of an annuity contract satisfying the requirements of Code Sections 408(b)(1), (3), and (4) and providing for equal or substantially equal payments at least annually over the life or life expectancy of the Participant or Beneficiary or the joint lives or joint life expectancies of the Participant and Beneficiary;

(d) In monthly, quarterly or annual installments in such amount(s) as the Participant or Beneficiary may request; or

(e) Any combination of the above (subject to the requirements of the Code).

(f) Subject to the post-death required minimum distribution requirements set forth in Section 4.3 below, unless an annuity contract is purchased and distributions have commenced, the Participant or Beneficiary may change the method of distribution at any time before benefits are completely distributed by filing a new election with the Custodian prior to the effective date of the change in method of distribution.

4.3 DEATH BENEFITS. No amount is required to be distributed prior to the death of the individual for whose benefit the account was originally established. If this is an inherited IRA within the meaning of Code Section 408(d)(3)(C), the preceding sentence does not apply.

Notwithstanding any provision of this Roth IRA to the contrary, the distribution of the Participant's interest in the Account shall be made in accordance with Code Sections 408(a)(6), as modified by Code Section 408A(c)(5), and the regulations thereunder, the provisions of which are herein incorporated by reference. If distributions are made from an annuity contract purchased from an insurance company, distributions thereunder must satisfy the requirements of Section 1.401(a)(9)-6 of the Income Tax Regulations (taking into account Code Section 408A(c)(5)), rather than the distribution rules in this Section 4.3.

(a) Required Minimum Distribution Requirements. Following the Participant's death, the entire Roth IRA must be distributed to the Beneficiary at least as rapidly as follows:

(i) If the designated Beneficiary is someone other than the Participant's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Participant's death, over the remaining life expectancy of the designated Beneficiary, with such life expectancy determined using the age of the Beneficiary as of his or her birthday in the year following the year of the Participant's death, or, if elected, in accordance with paragraph (a)(iii) below. If this is an inherited IRA within the meaning of Code Section 408(d)(3)(C) established for the benefit of a nonspouse designated Beneficiary by a direct trustee-to-trustee transfer from a retirement plan of a deceased individual under Code Section 402(c)(11), then, notwithstanding any election made by the deceased individual pursuant to the preceding sentence, the nonspouse designated Beneficiary may elect to have distributions made under this paragraph (a)(i) if the transfer is made no later than the end of the year following the year of death.

(ii) If the Participant's sole designated Beneficiary is the Participant's surviving spouse, the entire interest will be distributed, starting by either: (A) the end of the calendar year following the calendar year of the Participant's death, or (B) at the election of the surviving spouse, the end of the calendar year in which the Participant would have attained age 70½, if later. Distributions will be made over such spouse's life expectancy, or, if elected, in accordance with paragraph (a)(iii) below. If the surviving spouse dies before distributions are required to begin, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated Beneficiary's remaining life expectancy determined using such Beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph (a)(iii) below. If the surviving spouse dies after distributions are required to begin, any remaining interest will be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death.

(iii) If there is no designated Beneficiary or, if applicable by operation of paragraph (a)(i) or (a)(ii) above, the entire Roth IRA will be distributed by the end of the calendar year containing the fifth anniversary of the Participant's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin).

(iv) The amount to be distributed each year under paragraph (a)(i) or (ii) is the quotient obtained by dividing the value of the Roth IRA as of the end of the preceding year by the remaining life expectancy specified in such paragraph. For this purpose, the "value of the Roth IRA" is the fair market value of the assets held in the Roth IRA plus the value of any outstanding rollover, transfer or recharacterization under Q&A-7 and -8 of Section 1.408-8 of the Income Tax Regulations. Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's age in the year in which distributions must begin under paragraph (a)(i) or (ii) above, as applicable, and reduced by one for each subsequent year.

(v) The required minimum distributions payable to a designated Beneficiary from this IRA may be withdrawn from another IRA the Beneficiary holds from the same decedent in accordance with Q&A-9 of Section 1.408-8 of the Income Tax Regulations.

(vi) Trust as Beneficiary. If the following requirements are met with respect to a trust named as Beneficiary of the Roth IRA, then the trust Beneficiaries (and not the trust itself) will be treated as designated Beneficiaries for purposes of determining the distribution period under Code Section 401(a)(9):

(A) The trust is valid under state law, or would be but for the fact that there is no corpus.

(B) The trust is irrevocable or will, by its terms, become irrevocable upon the death of the Participant.

(C) The Beneficiaries of the trust who are Beneficiaries with respect to the trust's interest in the Roth IRA are identifiable from the trust instrument within the meaning of Section 1.401(a)(9)-4, Q&A-1 of the Income Tax Regulations.

(D) The Participant or the Trustee has provided to the Custodian either:

(I) A copy of the trust instrument, and agrees that if the trust instrument is amended at any time in the future, the Participant will, within a reasonable time, provide to the Custodian a copy of each such amendment, or

(II) The following documentation:

(aa) A list of all trust Beneficiaries (including contingent and remainder Beneficiaries with a description of the conditions on their entitlement) for purposes of Code Section 401(a)(9).

(bb) A certification, to the best of the Participant's knowledge, that (aa) is correct and complete, and that the requirements of (v)(A), (v)(B), and (v)(C) are satisfied.

(cc) Agreement that, if the trust instrument is amended at any time in the future, the Participant will, within a reasonable time, provide to the Custodian corrected certifications to the extent that the amendment changes any information previously certified; and agreement to provide a copy of the trust instrument to the Custodian upon demand.

(III) The documents described in (I) and (II) above may be provided by the Participant or by the Trustee of the trust at any time starting with the date on which the trust is designated as a Beneficiary, but not later than October 31 of the year following the year of the Participant's death.

(b) Surviving Spouse's Elections. If the sole designated Beneficiary is the Participant's surviving spouse, such surviving spouse may, instead of the elections under (a) above, elect to treat the decedent's Roth IRA as the surviving spouse's own Roth IRA. This election will be deemed to have been made if such surviving spouse makes a rollover contribution to or from the Roth IRA, or fails to elect a method of distribution within the time periods allowed by subparagraphs (a)(i) and (ii) above.

(c) Determination of Designated Beneficiary. Under Code Section 401(a)(9)(E) and Section 1.401(a)(9)-4 of the Income Tax Regulations, the term "Designated Beneficiary" refers to an individual or individuals designated as the Beneficiary or Beneficiaries by the Participant or by operation of this agreement, as of the Participant's date of death, who remain Beneficiaries as of September 30 of the calendar year following the calendar year of the Participant's date of death. Any person who was a Beneficiary as of the date of the Participant's death, but is not a Beneficiary as of that September 30 (e.g., because the person receives the entire benefit to which the person is entitled before that September 30), is not taken into account in determining the Participant's designated Beneficiary for purposes of determining the distribution period for required minimum distributions after the Participant's death.

(I) Death of Beneficiary Prior to September 30. If an individual who is a Beneficiary as of the date of the Participant's death dies during the period between the Participant's date of death and September 30 of the year following the year of the Participant's death without having disclaimed his or her interest, that individual continues to be treated as the Designated Beneficiary for purposes of determining the distribution period.

(II) Disclaimer by Beneficiary Prior to September 30. If a Beneficiary disclaims his or her interest prior to September 30 of the year following the year of the Participant's death, the disclaimant is not taken into account in determining the employee's Designated Beneficiary, provided the disclaimer satisfies Code Section 2518.

(III) Multiple Beneficiaries:

(A) General Rule. If more than one individual is designated as a Beneficiary as of the applicable date for determining the Designated Beneficiary under A-4 of 1.401(a)(9)-4, the Designated Beneficiary with the shortest life expectancy will be the Designated Beneficiary for purposes of determining the applicable distribution period.

(B) Separate Accounts. If separate accounts are established with respect to multiple Beneficiaries, each Beneficiary may determine his or her required minimum distribution based upon his or her individual life expectancy as opposed to using the life expectancy of the Beneficiary whose life expectancy is shortest. Separate accounts can be established at any time, either before or after the Participant's required beginning date. However, the applicable distribution period for each such separate account is determined disregarding the other Beneficiaries of the Participant's benefit only if the separate account is established on a date no later than the last day of the year following the calendar year of the Participant's death.

The separate accounts will be recognized for required minimum distribution purposes only after the later of the year of the Participant's death (whether before or after the required beginning date) and the year the separate accounts are established. If separate accounts are established, the separate accounting must allocate all post-death investment gains or losses for the period prior to the establishment of the separate accounts on a pro rata basis in a reasonable and consistent basis among the separate accounts for the different Beneficiaries. The separate accounting must also allocate any post-death distributions to the separate account of the Beneficiary receiving such distributions.

(C) Notice to Custodian. By September 30 of the year following the calendar year of the Participant's death, the Custodian must receive notice of the names of the Designated Beneficiaries as well as notice of any separate accounts to be established for such Beneficiaries.

(d) Notwithstanding anything contained herein to the contrary, this Section 4.3 is intended to and shall be interpreted in a manner consistent with the minimum distribution requirements that apply to Roth IRAs under Code Section 408A(c)(5).

4.4 DIRECTIONS TO CUSTODIAN. All directions to the Custodian for the distribution of property held in a Roth IRA must be in writing on a form acceptable to the Custodian or in such other medium as shall be acceptable to the Custodian. Such directions shall include, but not be limited to, an identification of the Roth IRA, the amount of cash or specific securities or other property to be distributed, the order in which securities or other property held in the Roth IRA shall be liquidated, if necessary, the nature or purpose of the distribution, the party to whom the distribution shall be made, whether income taxes are to be withheld and such other representations or facts as the Custodian may reasonably require.

4.5 EFFECT OF DISTRIBUTION. The Custodian shall have no obligation to determine whether a distribution from the Roth IRA is permissible under the Code or any other applicable law. The Custodian may reasonably rely on a representation by the Participant or Beneficiary that a distribution is so permitted. The Custodian may reasonably rely on directions from the Beneficiary or a duly authorized representative of the Beneficiary with respect to the amount and timing of death benefit distributions. The Custodian shall be entitled to withhold from delivery and to reserve such property as it deems reasonably necessary for the payment of all of its unpaid fees and other expenses and/or for the payment of any other liability or charge against the Roth IRA. The Custodian shall not be liable for distributed Roth IRA assets removed from the Roth IRA at the direction of the Participant, Beneficiary, the duly authorized representative of either, or a court or government agency of competent jurisdiction.

Article V — Transfers

5.1 IN GENERAL. Cash, securities or other property may be transferred to or from a Roth IRA as follows:

(a) Cash, securities or other property held on the Participant's or Beneficiary's behalf by the Custodian or trustee of another Roth IRA described in Code Section 408A may be transferred to the Custodian and held in a Roth IRA for the benefit of the Participant or Beneficiary but only to the extent that such cash, securities or other property meets the Custodian's requirements with respect to the administrative feasibility of accepting such transfers. The Custodian is not obligated to accept (and may reject or refuse) any transfer.

(b) Upon the direction of the Participant, Beneficiary or duly authorized representative of either, made in writing in a form acceptable to the Custodian, or such other medium as may be acceptable to the Custodian, the Custodian shall transfer cash, securities or other property held in the Participant's Roth IRA to the trustee or Custodian of a Roth IRA described in Code Section 408A.

(c) A Participant may, upon written direction to the Custodian accompanied by a copy of the decree or instrument described herein, transfer all or any part of the Participant's Roth IRA to a spouse or former spouse under a decree of divorce or separate maintenance or an instrument incident thereto as described in Code Section 71(b)(2)(A).

5.2 EFFECT OF TRANSFER. Upon receipt of a proper direction to transfer all or part of the property held in a Roth IRA, the Custodian shall act upon such direction within a reasonable period to the extent reasonably possible. The Custodian shall be entitled to withhold and reserve such cash or property from such transfer as the Custodian deems reasonably necessary for the payment of all of its unpaid fees and other expenses and/or for the payment of any other liability or charge against the Roth IRA. The Custodian shall have no obligation to ascertain whether any transfer made under this Article is permissible under the Code or any other applicable law and may reasonably rely upon any representation by the Participant or Beneficiary that the transfer does not violate the terms of the Code or any other applicable law. The Custodian shall not be liable for transferred Roth IRA assets removed from the Roth IRA at the direction of the Participant, Beneficiary, the duly authorized representative of either or a court or government agency of competent jurisdiction.

Article VI — Power, Duties and Obligations of Custodian

6.1 NO INVESTMENT DISCRETION. Except as otherwise agreed in writing between the Participant and the Custodian or an affiliate of the Custodian, the Custodian shall have no discretion to direct any investments of a Roth IRA, and is solely authorized to acquire and hold the particular investments specified by the Participant. The Custodian is not, however, obligated to act upon each and every investment direction and may, within its normal and customary practices, decline to act upon a given investment direction. Notwithstanding any other provision herein to the contrary, the Custodian may refuse to follow instructions which it reasonably believes will result in a transaction prohibited by Code Section 4975 or Section 3.5 of this Roth IRA document.

6.2 INVESTMENT POWERS. The Custodian may hold any securities acquired for a Roth IRA in the name of the Custodian without qualification or description, in the name of any nominee or by or through a central clearing corporation or depository. The Custodian shall have the following powers and authority with respect to the administration of each Roth IRA:

(a) To invest and reinvest the assets of the Roth IRA without regard to whether such investment is authorized by the laws of any jurisdiction for fiduciary investments.

(b) To exercise, buy or sell covered listed options, conversion privileges or rights to subscribe for additional securities and to make payments therefore.

(c) To consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, transfers or other changes affecting securities held by the Custodian.

(d) To make, execute and deliver as Custodian any and all contracts, waivers, releases or other instruments in writing necessary or proper for the exercise of any of the foregoing powers.

(e) To grant options to purchase securities held by the Custodian or to repurchase options previously granted with respect to securities held by the Custodian.

(f) The Custodian shall exercise any rights of a shareholder (including voting rights) with respect to any securities held in the Roth IRA only in accordance with the instructions of the Participant, pursuant to any applicable rules of the Securities and Exchange Commission and the national securities exchanges of which the Custodian is a member.

(g) To invest and reinvest the assets of the Roth IRA in deposits of an affiliate or affiliates which bear a reasonable rate of interest.

6.3 ADMINISTRATIVE POWERS.

(a) The Custodian shall have the power to take such actions as are reasonable and necessary to carry out its duties hereunder.

(b) The Custodian shall be under no duty to take any action other than as specified herein unless the Participant or Beneficiary furnishes the Custodian with written instructions, agrees to indemnify and hold the Custodian harmless from any claims arising out of such instructions and such instructions are specifically agreed to in writing by an authorized representative of the Custodian.

(c) The Custodian may consult with and employ suitable agents and advisors, including but not limited to legal counsel, accountants and tax advisors, with respect to its duties under the Roth IRA and applicable law.

(d) The Custodian may mail notices to the Participant or Beneficiary to the last known address of the Participant or Beneficiary.

(e) The Custodian shall keep such records and shall file with the appropriate government agencies, including but not limited to the Internal Revenue Service, such reports, returns and other information concerning the Roth IRA as may be required of it by law or regulation. The Custodian may pay such taxes as are owed by the Roth IRA as an expense of the Roth IRA.

(f) The Custodian may liquidate assets held in a Roth IRA to make distributions or transfers or pay fees, expenses, liabilities, charges or taxes assessed against the Roth IRA. If the Custodian must liquidate assets and the Participant fails to instruct the Custodian as to the liquidation of such assets, assets will be liquidated in the following order to the extent held in the Roth IRA:

(i) Shares held in the Morgan Stanley Liquid Asset Fund, Inc. sweep vehicle or other money market mutual fund sweep vehicle or assets held in savings accounts.

(ii) Amounts held in the Bank Deposit Program sweep vehicle or any other sweep vehicle specified pursuant to Section 3.3.

(iii) Shares held in a money market mutual fund acquired through direct purchase.

(iv) Publicly traded securities in such order as the Custodian deems reasonable.

(v) Other investments in such order as the Custodian deems reasonable.

(vi) Limited Partnership interests.

6.4 RECORDS AND REPORTS.

(a) The Custodian shall keep accurate records of all contributions, receipts, investments, distributions, disbursements and other transactions of the Roth IRA.

(b) Periodically, but not less than each calendar year, and on such other dates as may be prescribed by law or regulation, the Custodian shall deliver a written Account Statement to the Participant or, if the Participant is deceased, the Beneficiary, by mail at the Participant's or Beneficiary's last known address, a written Roth IRA statement electronically (if consented to by the Participant or otherwise permitted) or by such other means as may be allowed by law, regulation or consent of the Participant. Such statement shall reflect:

(i) receipts, disbursements and other Roth IRA transactions during the calendar year (or such other period).

(ii) assets and liabilities of the Roth IRA as of the last day of the calendar year (or such other period).

(iii) such other information as may be required by law or regulation, including but not limited to such information concerning required minimum distributions as is prescribed by the Commissioner of Internal Revenue.

Unless the Participant or Beneficiary files a written statement of exceptions or objections to the Roth IRA statement with the Custodian within 60 days after the mailing of the statement, the Participant or Beneficiary shall be deemed to have approved such statement and the Custodian shall be released from all liability to anyone (including any Participant's spouse or Beneficiary) with respect to all matters set forth in the statement. No person other than a Participant, the spouse of a Participant or Beneficiary may require an accounting.

(c) The Custodian shall also provide the Participant with summary descriptions or other reports as may be required under Code Section 408(i) or other applicable law.

(d) If a Roth IRA is established by an employer or employee association, as described in Code Section 408(c) and Q&A-3 of Section 1.408A-2 of the Income Tax Regulations, the Custodian shall maintain separate records for the interest of each individual participating in the arrangement.

6.5 RIGHT TO REQUEST JUDICIAL ASSISTANCE. Anything to the contrary contained in the Client Agreement regarding arbitration notwithstanding, the Custodian shall have the right at any time to apply to a court of competent jurisdiction for judicial settlement of its accounts or for determination of any questions or construction that may arise or for instructions. The only necessary party defendant to any such action shall be the Participant or, if the Participant is deceased, the Beneficiary, but the Custodian may join any other person or persons as a party defendant. The costs, including attorney's fees, of such proceeding shall be charged to the Roth IRA as administrative expense under Article X.

6.6 SCOPE OF CUSTODIAN'S DUTIES. The Custodian shall only have the duties that are specifically set forth herein. The Custodian shall have no duty to ascertain whether contributions, distributions or transfers comply with the Roth IRA or the Code. The Custodian shall not make any investments or dispose of any investments held in a Roth IRA, except upon the direction of the Participant or in accordance with Section 6.3(f). The Custodian shall be under no duty to question any directions of the Participant, to review any securities or other property held in a Roth IRA, or to make suggestions to the Participant with respect to the investment, retention or disposition of any assets held in a Roth IRA. The Custodian shall have no duty to prosecute or defend any legal action with respect to a Roth IRA unless the Custodian is fully indemnified to its satisfaction and agrees to do so in a writing executed by an authorized representative of the Custodian.

6.7 SCOPE OF CUSTODIAN'S LIABILITY. The Custodian shall not be liable for any loss of any kind which may result from any action taken by it in accordance with the directions of the Participant or the Participant's duly authorized representative or from any failure to act because of the absence of any such directions. The Custodian is entitled to act upon any instrument, certificate or form it believes is genuine and believes is signed or presented by the proper person or persons, and the Custodian need not investigate or inquire as to any statement contained in such document but may accept it as true and accurate.

6.8 RIGHT TO ADJUDICATE CLAIMS OF MULTIPLE BENEFICIARIES. Should two or more Beneficiaries of a Roth IRA give conflicting instructions or should two or more individuals or entities raise conflicting claims that they are each a Beneficiary of a Roth IRA, the Custodian is authorized in its sole discretion and without liability because of fluctuating market conditions or otherwise to do any one or more of the following: (a) select which instructions to follow or claims to honor and which to disregard; (b) suspend all activity in the Roth IRA, refuse to buy, sell or trade any security or commodity, and refuse to disburse any monies or properties, except upon written instructions signed by all Beneficiaries or claimants; (c) close the Roth IRA and send any and all securities, monies or other property by ordinary mail to the owner and address of record, reporting such transaction as a distribution to the owner of record; or (d) take action pursuant to Section 6.5 above including but not limited to an interpleader action in any appropriate court, provided that the filing of any action shall not be deemed a waiver of the Custodian's right to arbitrate under the Client Agreement and Section 11.7 below.

Article VII — Duties of the Participant or Beneficiary

7.1 DUTIES UNDER THE CODE. The Participant or, if the Participant is deceased, the Beneficiary, agrees to fulfill any obligations now or hereafter imposed on the Participant or Beneficiary by the Code or other applicable law or regulation. To the extent the Custodian performs such obligations at the request of the Participant or Beneficiary, the Participant or Beneficiary agrees to pay the Custodian such reasonable fee as the Custodian may charge for its services. Such fees shall be included with the fees charged pursuant to Article X hereof.

7.2 FURNISHING INFORMATION. The Participant or, if the Participant is deceased, the Beneficiary, shall furnish the Custodian with such information and documents as the Custodian may reasonably require. If the Participant or Beneficiary fails to furnish such information or documents, the Custodian may, at its sole discretion, terminate the Roth IRA and distribute to the Participant or Beneficiary, in a lump sum payment, an amount equal to the assets in the Account less an amount deemed reasonably necessary by the Custodian for the payment of all unpaid fees, expenses, charges, taxes or other liabilities of the Roth IRA, whether or not liquidated.

7.3 INDEMNIFICATION OF CUSTODIAN. The Participant or, if the Participant is deceased, the Beneficiary, shall indemnify and hold the Custodian harmless from any liability which may arise hereunder except liability arising from the gross negligence or willful misconduct of the Custodian.

Article VIII — Resignation or Removal of Custodian

8.1 RESIGNATION OR REMOVAL. The Custodian may resign at any time by giving at least 30 days written notice to the Participant, or, if the Participant is then deceased, to the Participant's Beneficiary, and may, but is not required to, designate a qualified successor Custodian upon such notice of resignation. The appointment of the successor Custodian shall become effective at the time the resigning Custodian ceases to act. The Custodian may be removed by a Participant (or, if applicable, Participant's Beneficiary) at any time by giving at least 30 days written notice to the Custodian. The notice period may be waived by the party entitled to the notice.

8.2 SUCCESSOR CUSTODIAN OR TRUSTEE. Upon the resignation or removal of the Custodian, the Participant or the Beneficiary, if the Participant is deceased, shall either accept the Custodian's appointment of a successor or appoint a successor Custodian. The Participant or, if applicable, the Beneficiary, may only designate, as successor Custodian, a bank or other person or institution approved by the Secretary of the Treasury to hold Roth IRA assets. In the event the Custodian resigns and appoints a successor, the Participant's failure to appoint a successor Custodian, on or before the effective date of such resignation and appointment (as set forth in the notice described in Section 8.1 above), shall constitute the Participant's consent to the successor appointed by the Custodian. The successor shall have all rights, powers, privileges, liabilities and duties of the Custodian. Upon acceptance of appointment by the successor, the Custodian shall assign, transfer and deliver to the successor all assets and liabilities of the Roth IRA. The Custodian is authorized, however, to reserve such funds as it deems advisable to provide for the payment of expenses, fees, taxes and other liabilities of the Roth IRA, liquidated or not, then unpaid or to be incurred in connection with the settlement of the Custodian's account, and any balance remaining after the settlement of its account shall be paid to the successor Custodian. If no qualified successor is designated by the Custodian or the Participant (or Beneficiary, if applicable) within 30 days of the notice of resignation or removal, the Custodian may distribute to the Participant (or Beneficiary, if applicable), the entire interest in the Roth IRA in a lump sum.

8.3 SUBSTITUTION OF CUSTODIAN. The Custodian shall substitute another trustee or Custodian in place of the Custodian upon notification by the Internal Revenue Service that such substitution is required because the Custodian has failed to comply with the requirements of Section 1.408-2(e) of the Income Tax Regulations, or is not keeping such records, making such returns, or rendering such statements as are required by said regulations.

Article IX — Amendment and Termination

9.1 AMENDMENT OR TERMINATION. The Custodian, or any successor Custodian or trustee, may amend or terminate the Roth IRA or related agreements, including the Adoption Agreement, at any time, provided that notice of such amendment or termination be provided to the Participant in writing. The Participant shall be deemed to have consented to any such amendment unless within 30 days after such notice, the Participant terminates (or transfers) his or her Roth IRA account. No amendment of the Roth IRA, however, shall deprive any Participant, spouse of a Participant, or Beneficiary of any benefit to which such person was entitled under the Roth IRA from contributions made prior to the amendment, unless the amendment is necessary to conform the Roth IRA to the current or future requirements of the Employee Retirement Income Security Act of 1974, as amended, the Code or other applicable law, regulation or ruling, in which case the Custodian is expressly authorized to make amendments that are necessary for such purposes retroactively to the later of the effective date of the Roth IRA or the effective date of such legal requirements.

9.2 DISTRIBUTION ON TERMINATION. If the Roth IRA is terminated by the Custodian for any reason, the Custodian shall distribute the balance held in each Roth IRA for the benefit of a Participant, spouse of a Participant, or Beneficiary, to a successor Custodian or trustee designated by the Custodian, the Participant, the spouse of the Participant, or the Beneficiary, on whose behalf the Roth IRA is held and if no such successor is designated, in a lump sum directly to the individual, provided, however, that the Custodian may exclude from any such distribution an amount deemed reasonably necessary by the Custodian for the payment of all unpaid fees, expenses, taxes, charges and other liabilities of the Roth IRA, liquidated or not.

Article X — Fees and Expenses

10.1 COMPENSATION OF THE CUSTODIAN. The Custodian shall be entitled to reasonable compensation for its services hereunder and to reimbursement for all reasonable expenses incurred in maintaining the Roth IRA. The Custodian shall notify the Participant in writing of its fees and of any changes in fees. The Participant and the Custodian agree that the Custodian has the absolute right to amend, revise or substitute fee schedules included, identified or referred to in the Disclosure Statement, and no amendment, revision or substitution of a fee schedule shall be deemed an amendment of this Agreement.

10.2 PAYMENT OF FEES AND EXPENSES. The Participant is responsible for paying any maintenance, custodial, or related administrative charges that the Custodian might reasonably require and disclose, in connection with the process of opening, or maintaining, the Roth IRA. Brokerage fees, commissions and related expenses shall be paid in the customary manner. In the event an Account is terminated or transferred, a termination or transfer fee shall be due and payable on the date of the termination or transfer. Reimbursement for expenses shall be due and payable upon demand.

The Custodian reserves the right, in its sole discretion, to elect to discount or waive certain fees, including but not limited to Roth IRA maintenance fees, for certain customers. To effect the payment of fees from an Account, the Custodian will liquidate assets in accordance with Section 6.3(f).

10.3 DEDUCTION OF FEES AND EXPENSES. Notwithstanding any other provisions of this Roth IRA, each Participant's Roth IRA shall be subject to the reasonable fees, charges and expenses of the Custodian, as described in the Roth IRA, the Disclosure Statement, and other fee schedules and documentation, as may be amended from time to time. The Custodian may deduct from and charge against a Roth IRA all reasonable fees and expenses incurred in maintaining the Roth IRA which have not been timely paid by the Participant. The Custodian may allocate such fees and expenses among a Participant's Roth IRAs at such time or times and in such a manner as the Custodian, in its reasonable discretion, determines. To effect the payment of fees and expenses from a Roth IRA, the Custodian may liquidate assets held in the Roth IRA in accordance with Section 6.3(f).

Article XI — Miscellaneous

11.1 PROHIBITED TRANSACTIONS. Notwithstanding anything contained herein to the contrary, no Participant, spouse of a Participant or Beneficiary shall be entitled to borrow from or use a Participant's Roth IRA, or any portion thereof, as security for a loan, nor shall the Participant, Custodian or any other person or institution engage in any prohibited transaction within the meaning of Code Section 4975 with respect to any Participant's Roth IRA.

11.2 PROHIBITION AGAINST ASSIGNMENT OF BENEFITS. Except to the extent otherwise required by law, none of the amounts held in a Roth IRA on behalf of any Participant, spouse of a Participant or Beneficiary shall be subject to the claims of any of their creditors nor shall any Participant, spouse of a Participant or Beneficiary have the right to anticipate, sell, pledge, option, encumber or assign, voluntarily or involuntarily, any of the benefits, payments or proceeds to which he or she is or may be entitled under the Roth IRA.

11.3 GOVERNING LAW. The Roth IRA is intended to qualify as a Roth IRA under Code Section 408A and shall be governed by and interpreted under the laws of the United States, except that, to the extent not preempted by Federal law, the Roth IRA shall be governed by the laws of New York.

11.4 ROTH IRA ONLY SOURCE OF BENEFITS. Each Participant, spouse of a Participant or Beneficiary shall look solely to the assets of the Roth IRA held on his or her behalf for the payment of any benefits to which he or she is entitled hereunder.

11.5 COMMINGLING. The assets of a Roth IRA will not be commingled with other property except in a common trust fund or common investment fund under Code Section 408(a)(5).

11.6 EXCLUSIVE BENEFIT. The Roth IRA is established for the exclusive benefit of the Participant or his/her Beneficiary or Beneficiaries. The interest of the Participant in the balance of this Roth IRA shall at all times be nonforfeitable.

11.7 ARBITRATION. Any claims or controversies with the Custodian related to this Roth IRA are subject to arbitration in accordance with the Client Agreement executed by or on behalf of the Participant.

Morgan Stanley Roth IRA Disclosure Statement (As of October 1, 2012)

This Disclosure Statement describes the Morgan Stanley Roth IRA (the "Roth IRA") established under the Morgan Stanley Roth IRA document and provides an overview of the Federal tax rules that apply to Roth IRAs. This Disclosure Statement applies to all Morgan Stanley Roth IRAs on and after January 1, 2012. You should carefully review the following information, and discuss it with your tax advisor. You may also want to review IRS Publication 590 (Individual Retirement Arrangements) for further information on IRAs generally.

Morgan Stanley Smith Barney LLC ("Morgan Stanley") or an affiliate or successor of Morgan Stanley will act as "Custodian" for your Roth IRA. Effective May 1, 2010, Morgan Stanley Smith Barney LLC commenced acting as Custodian of Roth IRAs.

By (i) signing the Adoption Agreement and Client Agreement and (ii) making a contribution, you complete Morgan Stanley's requirements to establish a Roth IRA custodied with Morgan Stanley and thereby become a "Participant" in a Roth IRA.

You may establish a Roth IRA for yourself or for your spouse provided you or your spouse meet the eligibility rules described below and you or your spouse are more than 18 years old. The duly authorized representatives of certain individuals or their estates may also establish Roth IRAs on behalf of such individuals. These representatives include a parent on behalf of a minor child, a legal guardian on behalf of an incapacitated adult or minor child, an executor, or Beneficiary of a deceased individual and an attorney-in-fact acting under a properly executed power of attorney.

Please read this Disclosure Statement carefully to understand the legal requirements and Federal income tax considerations involved in maintaining a Roth IRA. Morgan Stanley is required by Federal tax rules to provide this information to you. Your Financial Advisor or Private Wealth Advisor is available to answer any questions you may have with respect to your Roth IRA. However, Morgan Stanley does not provide legal or tax advice. You are responsible for all decisions affecting your Roth IRA. Morgan Stanley recommends that you consult your lawyer, accountant or other tax advisor if you have questions about the legal or tax consequences of your contributions to, investments by or distributions from your Roth IRA.

The Morgan Stanley Roth IRA is governed by the written terms of the Morgan Stanley Roth IRA document and the Adoption Agreement, both of which are included in this account opening package. In case of a conflict between those documents and this Disclosure Statement or any other material describing the Morgan Stanley Roth IRA, the Roth IRA document and Adoption Agreement will govern.

Please bear in mind when reading the Disclosure Statement that "you" refers to the Participant adopting the Roth IRA and "we" or "us" refers to Morgan Stanley Smith Barney LLC as Custodian. References to "Traditional IRAs" in this document refer to IRAs other than Roth IRAs, SIMPLE IRAs or Education Savings Accounts. References to "IRAs" includes Roth IRAs, Traditional IRAs and SIMPLE IRAs but not Education Savings Account. References to "designated Roth accounts" refer to accounts under employer qualified retirement plans and annuity plans under Sections 401(a) and 403(b) of the Internal Revenue Code (the "Code") that hold after-tax Roth contributions.

Capitalized terms used in this Disclosure Statement are defined in either Section X below or in Article I of the Roth IRA document.

I. Right of Revocation by Participant

(1) You may adopt a Roth IRA by completing and signing an Adoption Agreement and Client Agreement. You have the right to revoke for a period of seven days from the earlier of (a) your establishing the Roth IRA by signing the Adoption Agreement and Client Agreement or (b) funding the Roth IRA.

(2) You may exercise your right to revoke by mailing or personally delivering a written notice of revocation within the seven-day period to Morgan Stanley, Retirement Plan Operations, 201 Plaza 2, 7th Floor, Harborside Financial Center, Jersey City, New Jersey 07311. You will be treated as having revoked your Roth IRA on either (1) the date of the postmark (or if sent by certified or registered mail, the date of certification or registration) if you deposit your written notice in the United States mail in an envelope, or other appropriate wrapper, first class postage prepaid, properly addressed; or (2) the date you deliver your notice to a private delivery service recognized by the Internal Revenue Service ("IRS") for filing tax returns. This method of determining when you have revoked your Roth IRA, or taken some other action described below, is referred to as the "Postmark Rule." Your notice of revocation shall not be valid unless received by Morgan Stanley, directly or under the Postmark Rule, within the seven-day revocation period.

(3) If a material adverse change is made in the Disclosure Statement or the Roth IRA document while you still have the right to revoke the Adoption Agreement, we will inform you of the change, and you shall be permitted to revoke the Agreement for a period of seven days from the date you receive notice of the change.

(4) If you revoke the Adoption Agreement, we will return your entire contribution to your Roth IRA to you without adjustment for fees, sales commissions, administrative expenses or any fluctuations in market value. Cancellations of your Roth IRA after that point are subject to the normal adjustments for fees or administrative expenses.

II. Establishing Your Roth IRA

(A) STATUTORY REQUIREMENTS.

A Roth IRA is a custodial or trust account established for the exclusive benefit of you or your Beneficiaries. Federal tax law requires a Roth IRA to be established by a written agreement between you and a qualified custodian or trustee and meet the following requirements:

(1) If you are eligible to make an annual Roth IRA contribution, your contribution must be in cash and cannot exceed the sum of a) the lesser of (i) the Maximum Annual Dollar Amount (see Section III (A)(2) below) or (ii) 100% of your Compensation plus b) if you are 50 or older, Catch-Up Contributions described in Section III(A)(2) below. This limit does not apply to rollover contributions, conversions or transfers described in Section IV below. However,

your maximum Roth IRA contribution may be reduced or contributions may be prohibited if your Modified Adjusted Gross Income or MAGI (as defined in Section 1.8 of the Roth IRA document) exceeds certain amounts. See Section III(A)(2) below.

(2) Your Roth IRA must be established with a qualified trustee or custodian, such as Morgan Stanley, which is approved to act as Custodian of your Roth IRAs.

(3) Your Roth IRA assets may not be invested in life insurance contracts or in collectibles such as art, rugs, antiques, metals, gems, stamps, coins, alcoholic beverages or any other tangible personal property classified by the Secretary of the Treasury or the Secretary's delegate as a collectible within the meaning of Code Section 408(m) except for certain coins and bullion described in Code Section 408(m)(3) where the Custodian has specifically agreed to hold such coins and bullion.

(4) Your interest in your Roth IRA will be nonforfeitable at all times.

(5) Roth IRA assets will not be commingled with other property except in a common trust or investment fund.

(6) Following your death, your Roth IRA must comply with the minimum distribution requirements described in Section V(c) below.

(B) SPECIAL FEATURES OF YOUR MORGAN STANLEY ROTH IRA.

In addition to the statutory requirements described above, your Roth IRA has the following special features:

(1) Investment Direction/Other Information. We will not make any investment decisions with respect to your Roth IRA, or otherwise act as an investment advisor (as defined under the Investment Advisor's Act of 1940 (the "Advisers Act") unless you enter into a separate written agreement with us or one of our divisions or affiliates for the management of your Roth IRA. (Such agreements and relationships are generally characterized as "Managed Accounts" elsewhere in this Disclosure Statement). Absent such a separate written agreement, you shall direct us with respect to the investment of all contributions and the earnings therefrom. Investments may be made in publicly traded securities, covered listed options, certain mutual funds, certain unit trusts, money market instruments and funds, certificates of deposit, bank deposits, and certain coins and bullion, provided such investments are available for acquisition in the normal course of Morgan Stanley's business and have been approved by us for Roth IRA investments. We reserve the right to decline any investment direction regardless of the nature of the security or other property involved in the proposed transaction. We will automatically invest any uninvested cash in accounts with Morgan Stanley Bank, N.A. or any other banking affiliate of the Custodian, in any other sweep investment vehicle specified either in the Adoption Agreement or an agreement applicable to the sweep investment vehicle for your Account, or in a sweep investment vehicle otherwise made available and disclosed to you. The Custodian may change the sweep investment vehicle available to the Roth IRA at any time with notice to you.

(2) Distribution Options. You must notify us, in writing on a form or in such other medium as may be approved by us, as to when you wish to receive your benefits and the manner of payment. Your payment options are described in Section V(B) below. See also Section V(A).

(3) Beneficiaries

(a) Who May Be a Beneficiary. You are entitled to designate one or more individuals or a trust or other organization as a primary and a contingent Beneficiary of your Roth IRA. If you are a resident of a community property state, however, you will need the written consent of your spouse to terminate your spouse's community property interest in your Roth IRA in order to designate a primary Beneficiary other than your spouse. After you die, your primary Beneficiary will receive your Roth IRA benefits. If your primary Beneficiary dies before you do, we will pay your Roth IRA benefits, if any, to your contingent Beneficiary. If you do not designate a Beneficiary, or if your designated Beneficiary and your contingent Beneficiary, if any, die before you or cannot be located, we will pay your Roth IRA balance in accordance with the default Beneficiary rules provided under the Roth IRA document. In general, these default Beneficiary designations are as follows: to your surviving spouse; if no surviving spouse, to your surviving children in equal shares; if no surviving spouse or surviving children, to your surviving parents in equal shares; if no surviving parents, then to your estate.

(b) Designating and Changing Beneficiaries. You may designate a Beneficiary in the Adoption Agreement and may change your Beneficiary at any time by giving written notice to us. We will act upon the last dated, written designation received by us prior to your death. We urge you to review and renew your Beneficiary designation whenever your family circumstances are changed by a life-cycle event such as marriage, divorce, birth, adoption or death (in addition to reviewing the designation when making a will or establishing a trust) to assure that we distribute your Roth IRA as you intend.

(c) Disclaimers. Your Beneficiary may elect to disclaim all or part of an interest in your Roth IRA and, if they do, subject to the tax rules governing minimum distributions, we will pay your Roth IRA as if the disclaiming Beneficiary died before you did.

(d) Divorce. If you designate your spouse as a Beneficiary, your designation will be automatically cancelled upon the dissolution of your marriage by divorce, annulment or other legal process under the terms of your Roth IRA. If you want to continue to designate your ex-spouse as Beneficiary, you must file a new designation form with us, dated after the date of the dissolution of your marriage.

(e) Surviving Spouse. If your spouse is the sole Beneficiary of your Roth IRA, your spouse may, after your death, name a Beneficiary to receive distributions from the Roth IRA following the death of your surviving spouse (see V (C)(2)(b) below). If your surviving spouse does not designate a Beneficiary before his or her death, a Beneficiary will be determined under Section 1.2 of the Roth IRA document.

(f) Remainder Beneficiary. Your Beneficiary may, after your death, name an individual, trust, estate or other entity to receive distributions of any balance remaining in your Roth IRA after the death of your Beneficiary. Any individual or entity so designated will, upon the death of your Beneficiary, become your Beneficiary for all purposes except for minimum required distributions described in Section V(C) below. In other words, this additional designation may not extend the schedule of required distributions established following your death. If your Beneficiary does not designate a Beneficiary before his or her death, a Beneficiary will be determined under the Roth IRA document.

(4) Managed Accounts.

In the event you choose to invest in one or more managed or advisory accounts offered by Morgan Stanley at the time you open this Roth IRA, you hereby direct Morgan Stanley to open a separate Roth IRA account for each managed account. You agree that the terms and the conditions of the Roth IRA document, the Beneficiary designations and the Adoption Agreement shall apply to all such accounts on Morgan Stanley's books and records.

(5) Inherited Roth IRAs.

If you inherit a Roth IRA, you are a "Beneficiary" rather than a "Participant." If you inherit a Roth IRA from your spouse, you generally have the following three choices. You can either (1) treat it as your own Roth IRA by designating yourself as the account owner, (2) treat it as your own by rolling it over into another Roth IRA of your own or into another eligible retirement plan, or (3) treat yourself as the Beneficiary rather than treating the Roth IRA as your own. If you inherited the Roth IRA from your spouse, you can make additional IRA contributions, subject to the limitations for such contributions, but will then be considered to have chosen to treat the Roth IRA as your own. If you inherit a Roth IRA from anyone other than your deceased spouse, you cannot treat the inherited Roth IRA as your own. This means that you cannot make any contributions to the Roth IRA. It also means you cannot roll over any amounts into or out of the inherited Roth IRA. However, you can make a trustee-to-trustee transfer between Roth IRAs as long as the Roth IRA into which amounts are being moved is set up and maintained in the name of the deceased Roth IRA owner for the benefit of you as Beneficiary.

(6) Other Information.

(a) Earnings. The earnings of each separate Roth IRA shall be allocated only to that Roth IRA.

(b) Growth in Value Not Guaranteed. Growth in value of your Roth IRA will depend entirely on the investment decisions made by you and is neither guaranteed nor projected by Morgan Stanley or its affiliate.

III. Roth IRA Contributions

(A) ELIGIBILITY TO MAKE CONTRIBUTIONS.

(1) Eligibility to Make Annual Roth IRA Contributions. For 2012, you may make an annual contribution to your Roth IRA only if your MAGI (as defined in Section 1.8 of the Roth IRA document) is less than $183,000, if you file a joint Federal income tax return; $125,000, if you file under any other status (e.g., single or head of household) except married filing separately; and $10,000 if you are married and file separately. For this purpose, married taxpayers who file separately but lived apart from their spouses for the entire taxable year are treated as single.

(2) Amount of Contributions.

(a) In General. If you are eligible, you may contribute to all of your Roth IRAs and Traditional IRAs any amount you choose up to the lesser of (I) 100% of your Compensation or (II) the Maximum Annual Contribution (plus Catch-Up Contributions if you are 50 or over). Your Roth IRA contribution limit will be reduced (possibly to $0) based upon your MAGI, filing status and whether you contribute to a Traditional IRA (a "Non-Roth IRA") for the same taxable year. If (d)(i) and/or (ii) below apply, the Maximum Annual Contribution and, if you are eligible, Catch-Up Contribution that can be made to all of your Roth IRAs for a taxable year is the smaller amount determined under (d)(i) or (ii).

(b) Maximum Annual Contributions. You may contribute to all of your Roth IRAs and Traditional IRAs any amount you choose up to the lesser of 100% of your Compensation or the Maximum Annual Dollar Amount for each year listed below:

Years	Maximum Annual Dollar Amount
2008 through 2012	$5,000

For years after 2010, the $5,000 limit is subject to cost-of-living adjustments ("COLAs") determined by the U.S. Treasury. COLAs, if any, will be made in $500 increments.

(c) Catch-Up Contributions. If, by December 31st of any taxable year, you are age 50 or over, you may make an additional contribution (a "Catch-Up Contribution") to all of your Roth IRAs and Traditional IRAs up to the amounts listed below for each year:

Years	Catch-Up Contribution
2006 and thereafter	$1,000

If you are eligible, any annual contribution you make that exceeds your Maximum Annual Contribution will be treated as a Catch-Up Contribution (up to the limits described above) unless you elect to treat such amounts as an Excess Contribution described in Section VI(F)(2) below.

(d) Reductions in Contribution Limits. The maximum amount you may contribute to your Roth IRA for any year may be reduced as shown in (i) and (ii) below:

(i) For 2012, the Maximum Annual Contributions and Catch-Up Contributions you may make to your Roth IRAs are phased out ratably between certain levels of MAGI in accordance with the following table. For future years, these dollar amounts will be periodically subject to COLAs in increments of $1,000.

Federal Income Tax Filing Status	Full Contribution	Phase-Out Range	No Contribution
	Modified AGI (MAGI)		
Single or Head of Household	$110,000 or less	Between $110,000 and $125,000	$125,000 or more
Joint Return or Qualifying Widow(er)	$173,000 or less	Between $173,000 and $183,000	$183,000 or more
Married–Separate Return	$0	Between $0 and $10,000	$10,000 or more

(ii) If the Participant makes annual contributions to both Roth and Non-Roth IRAs for a taxable year, the Maximum Annual Contribution that can be made to all the individual's Roth IRAs for that taxable year is reduced by the annual contributions made to the individual's Non-Roth IRAs for the taxable year. The total of all of a Participant's annual contributions to all of the Participant's Roth and Non-Roth IRAs for a single taxable year may not exceed the Maximum Annual Contribution.

(iii) Examples:

Example 1: If you file jointly, and your MAGI is $179,000 and you are less than 50 years old, your Maximum Annual Contribution for 2012 will be calculated as follows:

Step 1: $179,000 (MAGI) – $173,000 (Applicable Dollar Amount)
Step 2: Result of Step 1 ($6,000) ÷ $10,000
Step 3: Dividend of Step 2 (.6) x $5,000
Step 4: $5,000 — Product of Step 3 ($3,000)
Step 5: $2,000 is the Maximum Annual Contribution for 2012.

Example 2: If you are a joint filer who is age 50 or over and your MAGI is $177,000, you might contribute $3,600 to a Roth IRA if you have made no contributions to any other Roth IRA for 2012. You could in that case contribute $2,400 to a Traditional IRA, for a total $6,000 for 2012, if you are otherwise eligible to make a Traditional IRA Contribution (you are under 70½ and have Compensation). But if you were eligible and had contributed $6,000 to a Traditional IRA for 2012, you cannot contribute anything to a Roth IRA for the same taxable year.

The following chart illustrates the 2012 Maximum Annual Contribution and Catch-Up Contributions for Roth IRAs at various MAGI levels:

MAGI for Single Filer	Maximum Roth IRA Contributions		MAGI for Joint Filers	Maximum Roth IRA Contributions	
MAGI for Single Filer	Under Age 50	Age 50 or over	MAGI for Joint Filers	Under Age 50	Age 50 or over
$110,000	$5,000	$6,000	$173,000	$5,000	$6,000
111,500	4,500	5,400	174,000	4,500	5,400
113,000	4,000	4,800	175,000	4,000	4,800
114,500	3,500	4,200	176,000	3,500	4,200
116,000	3,000	3,600	177,000	3,000	3,600
117,500	2,500	3,000	178,000	2,500	3,000
119,000	2,000	2,400	179,000	2,000	2,400
120,500	1,500	1,800	180,000	1,500	1,800
122,000	1,000	1,200	181,000	1,000	1,200
123,500	500	600	182,000	500	600
125,000	0	0	183,000	0	0

(3) Time for Making Contributions. A Roth IRA may be established and contributions made for a taxable year at any time starting on the first day of the taxable year and ending on the day your Federal income tax return is due for such year (without regard to any extensions). The date on which an account is opened or a contribution is made will be the date on which Morgan Stanley actually receives both the signed Adoption Agreement and Client Agreement and the contribution. If the agreements or contribution is sent by U.S. Mail or private delivery service, your Roth IRA is deemed opened and the contribution made using the Postmark Rule described in Section I(1) above.

(4) Spousal Roth IRA Contributions. If you file a joint Federal income tax return and your spouse has no Compensation (or your spouse's Compensation is less than yours), your spouse (or you, on behalf of your spouse) may contribute to a Roth IRA established for the benefit of your spouse, provided that your joint MAGI, reduced by the amount of your deductible Traditional IRA and Roth IRA contributions, does not exceed $183,000. The Maximum Contribution Amount and, if your spouse is age 50 or over, the Catch-Up Contributions, you may contribute to your spouse's Roth IRA is determined in the same manner as the amount you may contribute to your own Roth IRA (See (A)(2) above, applying the limits to joint filers), except that Compensation used to determine the 100% limit is the aggregate of all Compensation reported on your joint Federal income tax return for the year of the contributions reduced by the amount of your Traditional and Roth IRA contributions for the same year. The timing for making Spousal Roth IRA contributions is the same as for your contributions (see (A)(3) above).

(5) Prohibited Contributions. No contributions, other than Roth IRA contributions or rollover contributions from a Traditional IRA, SIMPLE IRA, Roth IRA, or designated Roth account, as described in Section IV (A) below, may be made to a Roth IRA.

(6) Qualified Reservist Distributions. An individual may make a repayment of a Qualified Reservist Distribution during the two-year period beginning on the day after the end of the active duty period, even if the repayment would cause the individual's total contributions to be more than the general limits on contributions described above in Section III(A)(2). The total repayments cannot be more than the amount of the Qualified Reservist Distribution.

(7) Disaster-Related Distributions. An individual generally may make a repayment of a Disaster-Related Distribution to a Roth IRA at any time during the three-year period following the distribution. The total repayments cannot be more than the amount of the Disaster-Related Distribution.

(8) Catch-Up Contributions in Certain Employer Bankruptcies — Pre 2010 Rule. For 2007, 2008 and 2009, an individual who participated in a 401(k) plan of an employer who filed for bankruptcy would have been able to make an additional contribution of up to $3,000 each year to the individual's Roth IRAs and Traditional IRAs, if certain requirements are satisfied. An individual who made additional contributions under this rule was not permitted to also make Catch-Up Contributions as described above in Section III(A)(2) (but not a designated Roth account). This rule expired after 2009.

(B) NO DEDUCTION FOR ROTH IRA CONTRIBUTIONS.

Roth IRA contributions are not tax deductible. Special tax rules, discussed in Section VI below, allow earnings on contributions to be withdrawn income tax and/or penalty tax-free. Because Roth IRA contributions are based upon taxable Compensation, contributions are generally not subject to taxes when withdrawn from a Roth IRA.

(C) SAVER'S CREDIT. The Saver's Credit is a nonrefundable tax credit available to taxpayers whose AGI does not exceed certain limits. The credit is equal to a specified percentage of the taxpayer's eligible contributions to IRAs or certain employer-sponsored retirement plans for the year.

1. Eligibility. The taxpayer must be age 18 or over before the end of the taxable year, may not be a full-time student and cannot be claimed as a dependent on another taxpayer's Federal income tax return.

2. Contributions Eligible for the Saver's Credit. The maximum amount of annual contributions that may be taken into account is $2,000. Eligible contributions include annual contributions to Traditional and Roth IRAs and salary reduction contributions to 401(k), SIMPLE IRA or 401(k), Code Section 403(b), governmental Code Section 457 or SAR-SEP plans. Voluntary after-tax contributions to an employer's qualified retirement plan or a Code Section 403(b) plan are also eligible for the credit.

3. Reduction of Eligible Contributions. The amount of a taxpayer's eligible contributions for any taxable year generally will be reduced by any taxable distributions received by the taxpayer (or by the taxpayer's spouse if filing a joint return) from an IRA or a plan listed in (C)(2) above during the taxable year, during the two preceding years or during the period from the end of the taxable year until the due date (with extensions) of the taxpayer's Federal income tax return.

4. Amount of Credit. The Saver's Credit will be 50%, 20% or 10% (the "Applicable Percentage") of eligible contributions based upon the taxpayer's filing status and AGI. For this purpose, you should not exclude from your AGI amounts otherwise excluded or deducted from your income as foreign earned income, foreign housing costs, income for bona fide residents of American Samoa, or income from Puerto Rico. AGI amounts for 2012 are shown on the chart below. These amounts will be periodically subject to COLAs in increments of $500. Please consult your tax advisor on the extent to which the Saver's Credit may be relevant for you given your personal tax situation.

Adjusted Gross Income						
Joint Return		Head of Household		All Other		Applicable Percentage
Over	Not Over	Over	Not Over	Over	Not Over	
$0	$34,500	$0	$25,875	$0	$17,250	50
$34,500	$37,500	$25,875	$28,125	$17,125	$18,750	20
$37,500	$57,500	$28,125	$43,125	$18,750	$28,750	10
$57,500		$43,125		$28,750		0

IV. Rollovers, Conversions and Transfers

(A) ROLLOVER CONTRIBUTIONS AND CONVERSIONS.

(1) Eligibility

(i) Rollovers from Roth IRAs. You may make a rollover contribution to your Roth IRA consisting of a distribution from another (or the same) Roth IRA, provided the requirements set forth in (2) below are met.

(ii) Rollovers from Traditional or SIMPLE IRAs. You may make a rollover contribution to your Roth IRA consisting of a distribution from a Traditional or SIMPLE IRA if you meet the requirements set forth in (2) below.

To roll over a distribution from a SIMPLE IRA, you must have participated in the employer's SIMPLE plan for at least two years. Also, while the distribution being rolled over may come from a SEP, SAR-SEP or SIMPLE IRA, all future employer or employee SEP, SAR-SEP and SIMPLE contributions may only be made to a SEP, SAR-SEP or SIMPLE IRA, not to your Roth IRA. If you are over 70½ years old, the rollover from a Traditional or SIMPLE IRA may not include your minimum required distribution.

(iii) Rollovers from Designated Roth Accounts. To the extent permitted by the Code, you may make a rollover contribution to your Roth IRA from a designated Roth account, provided the requirements set forth in (2) below are met.

(2) Rollover Requirements: You may make a rollover contribution if you are eligible under (1) above and you satisfy the following requirements:

(i) The distribution is contributed to your Roth IRA no later than 60 days after the distribution was received except that a distribution from an IRA (but not a designated Roth account) which fails to be a Qualified First-time Homebuyer Distribution solely because of a delay or cancellation of the purchase, construction or reconstruction of a Principal Residence may be rolled over to a Roth IRA within 120 days after the distribution was made;

(ii) The rollover contribution is made up only of cash or property received in the distribution;

(iii) If the distribution is from a Roth IRA, within the 12-month period ending on the day such distribution was received, a distribution from the same Roth IRA was not rolled over to a Roth IRA. For the purpose of applying this one-year rule, rollovers of distributions which fail to be Qualified First-time Homebuyer Distributions, rollovers or conversions from Traditional or SIMPLE IRAs, rollovers from designated Roth accounts and recharacterized contributions are not taken into account;

(iv) The distribution does not include a minimum required distribution amount;

(v) If the distribution is from a designated Roth account, it otherwise qualifies as an "eligible rollover distribution" under Code Section 402(c)(4). For example, a hardship distribution from a designated Roth account is not eligible for rollover.

(vi) If the distribution is from a Traditional or SIMPLE IRA, for years prior to 2010, your MAGI (as defined in Section 1.8 of the Roth IRA document) for the year in which you receive the Traditional or SIMPLE IRA distribution does not exceed $100,000 (excluding any income you must report as a result of the Traditional or SIMPLE IRA distribution) and your Federal income tax filing status is not married, filing separately (unless you lived separately from your spouse for the entire taxable year). For 2010 and later, these MAGI and filing status limits do not apply.

(3) Conversions of a Traditional or SIMPLE IRA to a Roth IRA. If you are eligible to make rollover contributions from a Traditional or SIMPLE IRA to a Roth IRA (see (1)(ii) above), you may also direct Morgan Stanley to convert your Traditional or SIMPLE IRA to a Roth IRA at any time. For Federal income tax purposes, a conversion is treated in the same manner as a rollover contribution from a Traditional or SIMPLE IRA. See (4)(ii) below for a discussion of the tax treatment of a conversion.

(4) Federal Income Tax Considerations.

(i) Rollover Contributions from Roth IRAs and Designated Roth Accounts. Taxable earnings, if any, included in a rollover contribution from a Roth IRA or designated Roth account are not included in your Federal gross income at the time of the rollover. Any Federal income taxes that may become due on your Roth IRA designated Roth account earnings as a result of a distribution continue to be deferred following the rollover.

(ii) Rollover Contributions and Conversions from Traditional or SIMPLE IRAs. The portion of your Traditional or SIMPLE IRA distribution which would be included in your income if you did not roll over the distribution must be included in your income. For rollovers and conversions before 2010, the income is included in the year in which the distribution takes place even if, within 60 days, you complete a rollover contribution or a conversion to a Roth IRA in the same or the next year. The taxable portion of a Traditional or SIMPLE IRA distribution (i.e., your deductible contributions, employer contributions to a SEP, SAR-SEP or SIMPLE and earnings) that is contributed or converted to a Roth IRA is known as the "taxable conversion amount." For rollovers and conversions in 2010, the taxable conversion amount must be included in gross income ratably over the two-year period beginning with the first tax year beginning in 2011, although a taxpayer may elect to not have the two-year spread apply, and to include the taxable portion of a distribution rolled over to a Roth IRA in gross income in the 2010 tax year (i.e., the year of the distribution). For years after 2010, the taxable conversion amount must be included in gross income for the year of the IRA distribution used for the conversion or rollover.

(iii) No Penalty Tax. The 10% penalty tax on early distributions imposed by Code Section 72(t) does not apply to a rollover contribution or conversion except to the extent of withholding tax paid out of the distributing IRA or plan with respect to the taxable conversion amount and an exception does not apply, However, if any converted or rolled-over amounts are withdrawn from your Roth IRA within the five-year period beginning with the year of the conversion or rollover, the 10% early withdrawal penalty would apply to any taxable conversion amount included in the withdrawal, even though the distribution was taxed at the time of conversion and is not otherwise taxable in the year of distribution, unless another exception applies (see Section VI(F)(1) below for a list of exceptions). This is to prevent you from receiving premature distributions from the amount converted to a Roth IRA while retaining the benefit of the inapplicability of the early withdrawal tax on the conversion.

(iv) Tax-Free Distributions. When distributed from your Roth IRA, the rollover contribution from your Traditional or SIMPLE IRA will not be taxed a second time. (IRA rollovers are, in this respect, treated the same way as Roth IRA Regular contributions discussed in Section III(A) above). Earnings on a rollover contribution or conversion may be subject to income and penalty taxes when distributed, as discussed in Section VI below.

(v) Unrelated Business Taxable Income ("UBTI"). The income earned in your IRA is generally exempt from Federal income taxes and will not be taxed until distributed to you, unless you make an investment that results in "unrelated business taxable income" ("UBTI"), as defined under the Code. UBTI can result, for example, from an investment in a limited partnership interest in a partnership that is debt-financed or that actively conducts a trade or business. If your IRA derives UBTI, which for any year exceeds $1,000, then an unrelated business income tax will be due, and a Form 990-T, Exempt Organization Business Income Tax Return, must be filed. In some cases, quarterly estimated tax must be paid as calculated using Form 990-W. You are obligated to notify Morgan Stanley in writing if an investment you have directed generates UBTI (including but not limited to the name of the investment and the amount of the UBTI). You hereby authorize and direct Morgan Stanley to make such filings and pay taxes with respect to UBTI as it deems appropriate (with the information received or made available to Morgan Stanley from you or other sources), and to liquidate assets of the Account to pay any such taxes, as this tax is an expense of your IRA and must be paid from the assets of your IRA. To the extent Morgan Stanley prepares such Form 990-T, Morgan Stanley reserves the right to charge you, or your IRA, for the cost of such preparation, and for any penalties, interest, losses or expenses relating to such taxes and filings.

(B) DIRECT TRANSFERS.

All or a portion of any Roth IRA you maintain with another custodian or trustee may be directly transferred to your Morgan Stanley Roth IRA at any time, provided such assets are in a form acceptable to Morgan Stanley. At your written request, Morgan Stanley will make such a transfer of all or a portion of your Roth IRA to another custodian or trustee.

(C) TRANSFER INCIDENT TO A DIVORCE.

All or any portion of your Roth IRA assets may be transferred tax-free to a Roth IRA of your spouse or former spouse pursuant to a court-ordered division of property, separation or divorce and shall be held as a separate Roth IRA for the benefit of your spouse or former spouse. Contributions so transferred will be deemed to have been first made to your spouse or former spouse's Roth IRA in the same taxable year as they were first made to your Roth IRA. Absent receipt of a court order, any such transfer will, however, be subject to the normal tax distribution rules, which may result in income tax (and potentially excise tax penalties).

(D) RECHARACTERIZATION AND RECONVERSION OF CONTRIBUTIONS.

You (or your executor, administrator or other personal representative of your estate) may recharacterize a contribution made to a Traditional or a Roth IRA (the "First IRA") by transferring the amount contributed with any allocable earnings to another Traditional or Roth IRA (the "Second IRA"). You must give notice to the trustee or Custodian of both the First and Second IRA that you want to transfer and recharacterize your IRA contribution no later than the due date, with extensions, of your Federal income tax return for the tax year. A contribution that is recharacterized is treated as having been originally contributed to the Second IRA on the same date and for the same tax year as the original contribution to the First IRA. The recharacterized contribution is reported to the IRS and is treated as a contribution to the Second IRA. The recharacterization is accomplished by transferring the amount being recharacterized (in cash or in kind), adjusted for net gains or net losses, from the First IRA to the Second IRA.

Recharacterization is primarily intended to allow you to reverse a conversion to a Roth IRA if you realize that your MAGI will exceed $100,000 (before 2010) or your account drops in value after the conversion or you change your mind for any other reason. By recharacterizing the Roth IRA contribution as a Traditional IRA contribution, the transaction will be treated as a rollover between two Traditional IRAs for which no income or penalty taxes will be due. Congress and the Internal Revenue Service have amended the Internal Revenue Code and tax regulations to broadly allow the recharacterization of any IRA contribution except for tax-free rollovers or transfers or employer contributions (including employee salary deferrals) to a SEP, SAR-SEP or SIMPLE IRA Plan. (Though a rollover made in error from a Traditional or Roth IRA to a SIMPLE IRA may be recharacterized). In other words, you may recharacterize all or a portion of a contribution. The 12-month limit on IRA rollovers does not apply to a recharacterized contribution.

If a Roth IRA conversion is properly recharacterized as an IRA contribution, the prior conversion amount is treated as a rollover to the Traditional IRA, not the Roth IRA, and no income or penalty tax will be due. However, if the conversion is not properly recharacterized, it will be treated as an annual Roth IRA contribution and, to the extent the annual contribution limit described in Section III(A)(2) above is exceeded, as an excess contribution subject to the 6% penalty excise tax (see VI(F)(2) below).

A taxpayer who converts an amount from a Traditional IRA to a Roth IRA and then transfers that amount back to a Traditional IRA by means of a recharacterization may be eligible to convert that amount again to a Roth IRA (a "Reconversion"). Pursuant to the rules set forth in Income Tax Regulations §1.408A-5 (Q&A9), an amount that has been rolled over or converted from a Traditional IRA or a SIMPLE IRA to a Roth IRA and transferred back to a Traditional or SIMPLE IRA by means of a recharacterization, may not be reconverted to a Roth IRA before the later of (i) the beginning of the next following taxable year, or (ii) 30 days after the date on which the amount was transferred back to the Traditional or SIMPLE IRA by means of the recharacterization. Any amount previously converted must be adjusted for subsequent net income to determine the amount subject to this limit on subsequent Reconversions. For this purpose, a conversion before 2010 which fails (and is subsequently recharacterized) because the Participant's MAGI exceeds the $100,000 limit is subject to this limit on Reconversions.

Rollover IRAs that (1) qualify as conduit IRAs under Code Section 408(d)(3)(A)(ii), (2) are rolled over or converted to a Roth IRA, and (3) are subsequently recharacterized to a Rollover IRA; do not lose their status as conduit IRAs solely because of the conversion and recharacterization.

A Reconversion will change the taxpayer's taxable conversion amount from the value of the Traditional IRA on the date of the last conversion to the value of the Traditional IRA on the date of the Reconversion. However, a Reconversion that exceeds the limits described above (an "excess Reconversion") will not change the taxpayer's taxable conversion amount. Instead, for income tax purposes, the excess Reconversion and the last preceding recharacterization will not be taken into account and the taxpayer's taxable conversion amount will be based on the last conversion that was not an excess Reconversion. A taxpayer who has made an excess Reconversion has the choice of leaving the reconverted amount in the Roth IRA and paying taxes based on the value of the Traditional IRA distribution used for the last "good" conversion (or Reconversion) or recharacterizing the excess Reconversion amount as a rollover to a Traditional IRA, deferring taxes until a later distribution.

(1) Direct Rollovers/Transfers by Nonspouse Beneficiaries to an Inherited Roth IRA.

(A) DISTRIBUTIONS FROM A ROTH ACCOUNT UNDER A PLAN.

Distributions from a deceased Participant's Roth account under a 401(a) plan, 403(b) plan, or governmental Section 457(b) plan that would satisfy all of the requirements for being an eligible rollover distribution to a Roth IRA but for that the distribution would be made to you as a Beneficiary who is not the Participant or the Participant's spouse can, instead of being paid to you, be transferred directly from the plan to an inherited Roth IRA on your behalf. Any check from the plan must be made out to Morgan Stanley Smith Barney LLC as IRA Custodian for the benefit of or showing in the memo line the names of the decedent and Beneficiary, and can't be made payable to the Beneficiary directly. Transfers can also be made directly electronically from the plan to the inherited Roth IRA. This is known as a nonspouse Beneficiary direct rollover or transfer. Such plans were permitted to make such nonspouse Beneficiary transfers after 2006, but are required to offer them to nonspouse Beneficiaries beginning in their 2010 plan year.

(B) CONVERTING REGULAR PLAN ACCOUNTS TO A ROTH IRA.

In the case of a distribution from a regular account under a 401(a) plan, 403(b) plan, or governmental Section 457(b) plan, Beneficiaries can make a direct transfer of the amount that would otherwise be an eligible rollover distribution to a Roth IRA. Such a direct transfer is subject to the rules for conversions. Effective 2010, the MAGI and filing status of the Beneficiary are no longer used to determine eligibility to make a qualified rollover contribution to a Roth IRA. A surviving spouse who makes a rollover to a Roth IRA may elect either to treat the Roth IRA as his or her own or to establish the Roth IRA as an inherited Roth IRA in the name of the decedent with the surviving spouse as the Beneficiary.

A nonspouse Beneficiary cannot elect to treat the Roth IRA as his or her own, and must treat it as an inherited Roth IRA.

(C) REQUIRED MINIMUM DISTRIBUTIONS AND INHERITED ROTH IRA

The receiving inherited Roth IRA must be identified and maintained as an inherited Roth IRA and is subject to the minimum required distribution requirements for a Roth Beneficiary. Under those minimum required distribution rules, depending on the plan's provisions, the required minimum distributions, for purposes of determining the amount eligible for direct transfer with respect to a nonspouse Beneficiary, are determined under either the 5-Year Rule (generally, that the entire interest of the employee be distributed within five years after the death of such employee) or the life expectancy rule (that the amounts generally be distributed over the life of or a period not exceeding the life expectancy of the Beneficiary, beginning not later than December 31 of the year after the year of the employee's death). The plan administrator is responsible for determining the portion of any plan distribution that is an "eligible rollover distribution" that can be transferred to an inherited Roth IRA.

After the transfer, the required minimum distribution requirements that apply to an inherited Roth IRA are the same as would have applied to the plan. Thus, either the 5-Year Rule or the life expectancy rule will apply to determine the required minimum distribution to the nonspouse Beneficiary under the inherited Roth IRA as if the direct transfer to the inherited IRA had not occurred. The Beneficiary is responsible for continuing the appropriate applicable required minimum distributions, and may want to consult with their personal tax advisor. See V below for more information.

V. Distributions from Your Roth IRA

(A) IN GENERAL.

You may take a distribution of all or any portion of your Roth IRA at any time. The amount you withdraw and the timing of your withdrawal will affect the amount, if any, of Federal income or penalty taxes owed as a result of the withdrawal. The Federal tax considerations of withdrawing assets from your Roth IRA are discussed below in Section VI.

(B) FORM OF DISTRIBUTIONS.

You (or your Beneficiary if distributions commence after your death) may elect to have the balance in your Roth IRA paid, in cash or in-kind, as follows

- In a lump sum;
- In equal or substantially equal installments payable at least annually over a period not extending beyond your life or life expectancy or the joint lives or life expectancies of you and your Beneficiary;
- By purchase of a qualified annuity contract;
- In monthly, quarterly or annual installments in an amount determined by you or your Beneficiary; or
- Any combination of the above (subject to the requirements of the Code).

(C) POST-DEATH REQUIRED MINIMUM DISTRIBUTIONS.

(1) Determining Who the Beneficiary Is for Post-Death Required Minimum Distributions Purposes. This Section sets forth the rules for Required Minimum Distributions ("RMDs") paid after the death of the Roth IRA owner. RMDs are, in general, based upon the life expectancy of a Beneficiary or, in the absence of a Beneficiary, either the remaining life expectancy of the Roth IRA owner or the 5-Year Rule described in C(2)(a)(iv) below. The Beneficiary whose life expectancy is used to calculate RMDs is not necessarily going to be paid all or even some of the decedent's Roth IRA. The following is a summary of rules for determining who is the Beneficiary for RMD purposes:

(a) Post-death RMDs do not have to begin until December 31 of the year following the year of the Roth IRA owner's death. In general, the Beneficiary for RMD purposes does not have to be determined until September 30 of the year after the year of the Roth IRA owner's death.

(b) Any Beneficiary of the Roth IRA who disclaims his or her interest in the Roth IRA or who takes a distribution of his or her total interest in the Roth IRA before RMDs must commence, is not taken into account when determining who the Beneficiary is for purposes of calculating post-death RMDs.

(c) If there are multiple Beneficiaries, the Roth IRA may be split into separate Roth IRAs, one for each Beneficiary, and the RMD calculated separately for each Roth IRA. Notice must be given to the custodian no later than September 30 of the year following the year of the Roth IRA owner's death. See (D)(iv) below.

(2) Post-Death RMD Rules for Different Types of Beneficiaries. The rules for determining the starting dates and amounts of post-death RMDs are different for each type of Beneficiary. These different rules are summarized below.

(a) Nonspouse Beneficiary.

(i) When RMDs for a Nonspouse Beneficiary Must Begin. If a designated Beneficiary is not the Roth IRA owner's surviving spouse (as described in (b)(i) below), the nonspouse Beneficiary must take RMDs until the Roth IRA is exhausted. Post-death RMD distributions must be calculated separately for each of the decedent's Roth IRAs. Roth RMDs may not be satisfied by payments from Traditional IRAs. However, the RMD payable to a designated Beneficiary from this Roth IRA may be withdrawn from another inherited Roth IRA the same Beneficiary holds provided that it is inherited from the same decedent. The first calendar year in which a post-death RMD must be taken (known as the first "Distribution Calendar Year" or "DCY") for a nonspouse Beneficiary is the first calendar year after the year of death. The RMD must be taken by December 31 of every DCY.

(ii) Calculating RMDs for a Nonspouse Beneficiary. The nonspouse Beneficiary calculates RMDs for any DCY by dividing the Roth IRA account balance as of December 31 of the prior year by a life expectancy factor. The life expectancy factor (applicable divisor) for the first DCY is found on Table I of IRS Supplement to Publication 590 next to the nonspouse Beneficiary's age as of his or her birthday in the first DCY. For each succeeding year, the life expectancy factor will be the prior year's factor minus one. This continues until the life expectancy factor for a DCY is less than one. In that year, the entire remaining balance of the Roth IRA must be distributed. This method of distribution is often referred to as "nonrecalculation" or "term certain" because the Beneficiary's life expectancy is not recalculated each year and the stream of payments may continue even after the Beneficiary's death.

(iii) Death of Nonspouse Beneficiary. If the nonspouse Beneficiary dies before the Roth IRA is exhausted, the term certain described in (ii) above may continue to be paid to a Remainder Beneficiary or to the default Beneficiary until the Roth IRA is exhausted.

(iv) Alternative Distribution Methods. In lieu of receiving term certain payments, the nonspouse Beneficiary may elect to take a total distribution of the Roth IRA no later than December 31 of the fifth year following the year of the Roth IRA owner's death (the "5-Year Rule") or may take distributions that exhaust the Roth IRA at any time before the end of the five years following the year of death.

(v) Nonliving Entity (Trust, Estate, Educational Institution). If the Beneficiary is a nonliving entity (for example, the Roth IRA owner's estate, a charitable or educational institution or a trust that doesn't qualify as a "Pass Through Trust" described in (D) below), the Roth IRA must be distributed using the 5-Year Rule. This rule also applies if the Roth IRA owner fails to designate a Beneficiary. Morgan Stanley Roth IRAs automatically designate a Beneficiary if the Roth IRA owner does not. See II(B)(3) above.

(b) Spouse as Sole Beneficiary.

(i) When RMDs for a Spouse Beneficiary Must Begin. If the Roth IRA owner's surviving spouse is the sole Beneficiary of the Roth IRA, the surviving spouse may elect to commence taking RMDs as of the later of December 31 of the year after the year of death or the year in which the Roth IRA owner would have attained age 70½. If the spouse is not the sole Beneficiary, RMDs must begin by December 31 of the year after the year of death.

(ii) Calculating RMDs for a Sole Spouse Beneficiary. During his or her lifetime, post-death RMDs are calculated using a life expectancy factor based on the spouse's actual age as of his or her birthday in each DCY. This is known as the "recalculation" method of determining RMDs. For this purpose, the surviving spouse uses Table I of IRS Publication 590. If the surviving spouse dies before the Roth IRA is exhausted, the spouse's Beneficiary may continue to receive annual payments from the Roth IRA but must change to the nonrecalculating or term certain method. This is done by taking the spouse's life expectancy factor (applicable divisor) for the spouse's year of death and subtracting one for each subsequent year until the factor is less than one. The RMD for each year is the prior year's December 31 account balance divided by the applicable life expectancy factor. When the life expectancy factor for a DCY is less than one, the entire Roth IRA must be distributed during that year. If the spouse is not the sole Beneficiary, RMDs are calculated using the rules in (a) above and (E) below.

(iii) Death of Surviving Spouse Before RMDs Begin. If the surviving spouse is the sole Beneficiary and dies before RMDs must commence (see (i) above), the Roth IRA is distributed as if the spouse was the Roth IRA owner. The spouse's Beneficiary must commence taking RMDs no later than December 31 of the year after the year of the spouse's death using the term certain method described in (a)(ii) above. The life expectancy factor is determined using the spouse's age in the year of the spouse's death and subtracting one for each subsequent year. If the surviving spouse has remarried, his or her new spouse may not use the special rules for surviving spouses set forth in this subSection (b) but is, instead, treated as a nonspouse Beneficiary of the decedent's Roth IRA.

(iv) Special Election to Treat Decedent's Roth IRA as Spouse's Roth IRA. If the Roth IRA owner's surviving spouse is both the sole Beneficiary and has an unlimited right of withdrawal from the Roth IRA (this will generally be true except if the spouse is receiving IRA payments as Beneficiary of a trust), the surviving spouse may elect to treat the Roth IRA as the surviving spouse's Roth IRA. The special election may be made at any time before RMDs must commence in accordance with the deadline described in (i) above. This special election is automatically deemed to have been made if the surviving spouse either (A) fails to commence RMDs by the deadline described in (i) above, or (B) makes any form of contribution to the Roth IRA. Once this election is made, the Roth IRA is treated as the spouse's Roth IRA for all purposes including the RMD rules.

(c) Pass-Through Trust as Beneficiary.

(i) Definition of Pass-Through Trust. A Roth IRA owner may designate a Pass-Through Trust as primary or contingent Beneficiary. To be treated as a Pass-Through Trust, the trust must be (A) valid under applicable state law, (B) irrevocable no later than the Roth IRA owner's date of death, (C) have a Beneficiary or Beneficiaries who are identifiable from the trust instrument and (D) the Roth IRA owner or trustee has provided the Custodian with either a copy of the trust (and any amendments) or a written certification that (A) and (B) are true. The written certification must also list each trust Beneficiary, his or her share of the Roth IRA and the conditions under which the trustee may pay each Beneficiary a share of the Roth IRA. The IRA owner or trustee must provide the Custodian with a new certification if there is a change in the trust that would change the original certification. The certification may be made at any time from the date the trust is designated as a Beneficiary until October 31 of the year following the year of the Roth IRA owner's death. Morgan Stanley has a certification form for this purpose.

(ii) RMD Payments to Pass-Through Trust. RMDs for a Pass-Through Trust are calculated as if the Beneficiary of the trust was the Beneficiary of the Roth IRA, using the rules for nonspouse, spouse, nonliving entity and multiple Beneficiaries set forth in (C)(2)(a), (C)(2)(b), and (D) of this Section.

(d) Multiple Beneficiaries.

(i) General Rules. If two or more Beneficiaries have a right to receive payments from a decedent's Roth IRA, RMDs must begin no later December 31 of the year after the year of death using the life expectancy of the oldest Beneficiary. RMDs are calculated under the rules for nonspouse Beneficiaries set forth in (C)(2)(a) above.

(ii) Special Spouse Rules Do Not Apply. If a surviving spouse is one of two or more Beneficiaries of an IRA, the special rules for spouses set forth in (b) above do not apply (unless the Roth IRA is split into separate accounts as described in (iv) below).

(iii) Nonliving Entity. If any one of multiple Beneficiaries is a nonliving entity (other than a Pass-Though Trust described in (D)(i) above) then the Roth IRA must be distributed using the 5-Year Rule (unless the Roth IRA is split into separate accounts as described in (iv) below.

(iv) Dividing the Roth IRA into Separate Accounts. If the decedent's Roth IRA is divided into separate accounts (one for each Beneficiary) no later than December 31 of the year after the year of the Roth IRA owner's death, each separate account will be treated as a separate Roth IRA with a single Beneficiary. RMDs will be separately calculated for each Roth IRA using the rules applicable to that Beneficiary (nonspouse, spouse or nonliving entity). If the Beneficiary of a separate Roth IRA is the owner's surviving spouse, the spouse may apply the rules set forth in (C)(2)(b) above to the separate Roth IRA. Morgan Stanley may require each Beneficiary to submit paperwork opening such separate accounts.

(D) REQUESTING A DISTRIBUTION. You may take a distribution by submitting a written request to Morgan Stanley on a form provided by us and or in such other medium as we may approve and by providing any additional information or documents reasonably needed by Morgan Stanley to complete your distribution and make any reports Morgan Stanley is required to make to the IRS (or any other regulatory agency).

VI. Federal Taxation of Roth IRA Distributions

(A) TAX-FREE DISTRIBUTIONS.

(i) Qualified Distributions. Earnings included in a Qualified Distribution from your Morgan Stanley Roth IRA will not be subject to Federal income tax (i.e., such earnings will be excluded from your gross income). A Qualified Distribution is any payment of all or a part of your Roth IRA balance to you or your Beneficiary which is made after your Roth IRA satisfies the 5-Year Holding Rule (described in (ii) below) and is made:

(1) on or after the date you attain age 59½;

(2) to your Beneficiary (or your estate) on or after your death;

(3) on account of your having become Disabled; or

(4) as a Qualified First-Time Homebuyer Distribution but not in excess of a $10,000 lifetime limit.

(ii) 5-Year Holding Rule. Your Roth IRA account satisfies the 5-Year Holding Rule for any distribution made after the end of the five full years starting with the first year in which you make any contribution (Regular, conversion or rollover from a Traditional or SIMPLE IRA or designated Roth account) to any Roth IRA. For this purpose, your first Roth IRA contribution of any kind is deemed to have been made on January 1 of the year for which it is made. For example, if you make a Roth IRA contribution for 2011 by April 15, 2012, the 5-Year Holding Period will be satisfied on January 1, 2016. Once you satisfy the 5-Year Holding Rule, you will have satisfied the rule for all of your Roth IRAs regardless of when they are established or when subsequent contributions or conversions are made. If you make a rollover to a Roth IRA from a designated Roth account, the period that the rolled-over funds were in the designated Roth account does not count for purposes of satisfying the IRA's 5-Year Holding Period. However, if you had established a Roth IRA in an earlier year, the 5-Year Holding Period that began as a result of that earlier Roth IRA contribution will apply to amounts rolled over from the designated Roth account.

If you die during your 5-Year Holding Period, the beginning of the five-year period remains unchanged. Thus, in determining the 5-Year Holding Period for purposes of distributions to your Beneficiary, the period during which you held the Roth IRA is included. The 5-Year Holding Period is determined separately for Roth IRAs held by an individual as a Beneficiary and for the individual's own Roth IRAs. However, if a surviving spouse treats a decedent's Roth IRA as his or her own, the 5-Year Holding Period for all of the surviving spouse's Roth IRAs ends at the earliest of the 5-Year Holding Period for the decedent's Roth IRAs or the surviving spouse's own Roth IRAs.

If you establish and then revoke a Roth IRA or recharacterize a Roth IRA contribution as a Traditional IRA contribution, the revoked or recharacterized contribution may not be used to start the clock for the 5-Year Holding Rule.

(B) TAXABLE ROTH IRA DISTRIBUTIONS.

Earnings included in a Roth IRA distribution that is not a Qualified Distribution are taxed as ordinary income. If a Roth IRA distribution fails to be a Qualified Distribution because the 5-Year Holding Rule has not been met, then the distribution is deemed to consist first of Regular Contributions (with all years aggregated), then conversion or rollover amounts on a first-in, first-out basis and, last, earnings. To the extent a distribution is treated as made from a particular conversion contribution, it is treated as made first from the taxable conversion amount.

For purposes of this rule, all of your Roth IRAs are aggregated. You are responsible for maintaining adequate records (such as account statements and confirmations) so that you may trace the history of your Roth IRA contributions in order to properly file your income tax return(s) for years in which you receive a Roth IRA distribution. You may maintain separate Roth IRAs and Roth Conversion IRAs for this purpose.

For purposes of this rule, the entire amount of any qualified distribution, as defined in Code Section 402A(d)(2), from a designated Roth account that is rolled over to a Roth IRA is treated as a Regular Contribution. Accordingly, a subsequent distribution from the Roth IRA in the amount of that rollover contribution will not be subject to Federal income tax (although any investment return on that rollover contribution earned in the Roth IRA will be taxable when distributed unless the distribution satisfies the requirements for a Qualified Distribution, including the 5-Year Holding Period, summarized above). A Qualified Distribution from a designated Roth account under Code Section 402A(d)(2) is a distribution which satisfies certain requirements that are similar, but not identical, to the requirements for a Qualified Distribution summarized above. For example, a Qualified Distribution from a designated Roth account does not include a Qualified First-Time Homebuyer Distribution.

If a nonqualified distribution from a designated Roth account is rolled over to a Roth IRA, the portion of the distribution that constitutes a nontaxable return of investment in the contract (for example, contributions to the designated Roth account) is treated as a Regular Contribution to the Roth IRA, and the remainder of the contribution is treated as earnings. If only a portion of a nonqualified distribution from a designated Roth account is rolled over to a Roth IRA, the portion that is rolled over is treated as consisting first of the taxable amount of the distribution.

If the entire account balance of a designated Roth account is distributed and some or all of the distribution is rolled over to a Roth IRA, and, at the time of the distribution, the investment in the contract exceeds the balance in the designated Roth account, the investment in the contract in the distributing plan generally is included in the amount treated as a Regular Contribution to the Roth IRA.

(C) QUALIFIED HEALTH SAVINGS ACCOUNT ("HSA") FUNDING DISTRIBUTIONS. If you are covered by a high deductible health plan ("HDHP"), you may be able to make a nontaxable HSA funding distribution from your Roth IRA, even if all or a portion of the distribution would otherwise be taxable under the above rules. The distribution must be contributed to your HSA in a direct trustee-to-trustee transfer. The distribution will be nontaxable to the extent that it does not exceed the annual limit on your HSA contributions.

In general, you may make only one nontaxable HSA funding distribution during your lifetime. If, however, you subsequently change your HDHP coverage from self-only to family coverage, you may be able to make an additional HSA funding distribution during the same taxable year.

(D) DEEMED DISTRIBUTIONS.

1. The Code Defines Certain Transactions as "Prohibited Transactions." You (or upon your death or certain other circumstances, your Beneficiary) are generally considered to be "fiduciaries" of your Roth IRA because of your ability to direct the investment and transactions within your account. If you or your Beneficiary engages in a "prohibited transaction" described in Code Section 4975(c) with respect to your Roth IRA as a fiduciary of such Account, the Roth IRA will become immediately cease to be an IRA and will be taxable under Code Section 408(e)(2)(A) on the first day of the taxable year in which the prohibited transaction occurs, and your Roth IRA will be treated as having been distributed on such day. It will not be a Qualified Distribution. Both the taxable portion of your Roth IRA as of that day and the fair market value of the IRA's earnings after that day will be included in your income for that taxable year. A 10% penalty tax on premature distributions will be imposed on the amounts included in gross income if you have not yet attained age 59½ and no exemption to the penalty tax applies. The same consequences apply to your spouse's Roth IRA if your spouse engages in a prohibited transaction with his or her own IRA. In general, a "prohibited transaction" means any direct or indirect (1) sale or exchange, or leasing, of any property between a disqualified person and the IRA; (2) lending of money or other extension of credit between a disqualified person and the IRA; (3) furnishing of goods, services or facilities between a disqualified person and the IRA; (4) transfer to or use by or for the benefit of a disqualified person of the income or assets of the IRA; (5) dealing by the disqualified person who is a fiduciary with the assets of the IRA in his own interest or for his own account; or (6) receipt of any consideration for his own personal account by any disqualified person who is a fiduciary from any party dealing with the IRA in connection with a transaction involving the income or assets of the IRA. For this purpose, "disqualified persons" means generally the individual for whom the IRA is maintained, such individual's family members, and any person or entity from which the IRA Participant derives a personal benefit, or a business or other entity (such as a trust) in which you have a 50% or greater interest, or, if your employer contributes to your IRA, between the IRA and your employer or an owner of your employer. If someone other than the owner or Beneficiary of a Roth IRA engages in a prohibited transaction, that person may be liable for certain penalty taxes. In general, there is a 15% tax on the amount of the prohibited transaction and a 100% additional tax if the transaction is not corrected.

Examples of prohibited transactions are: borrowing from your Roth IRA or "pledging" (guaranteeing) any debt using the assets of your Roth IRA; engaging in a cross trade between your non-IRA brokerage account and your Roth IRA; investing Roth IRA assets in a residence for personal use (present or future); selling or leasing property to your Roth IRA; or, buying or leasing property from your Roth IRA. The extension of credit between the IRA and the Custodian or any of its subsidiaries or affiliated companies is also a prohibited transaction.

2. Pledging IRA Assets—Tax Treatment: If you use all or any portion of an IRA as security for a loan, then the portion so used is treated as distributed to you and, to the extent such portion is attributable to deductible contributions and earnings, will be included in your income for the taxable year during which you so use the IRA. Further, you may be subject to the 10% penalty tax on premature distributions of the amount pledged if you pledge your IRA before you attain age 59½.

3. Collectibles Purchased in the Account: If you use IRA assets to acquire "collectibles" such as artworks, rugs, antiques, metals, gems, stamps, coins, alcoholic beverages or any other tangible personal property classified by the Department of the Treasury as a collectible within the meaning of Code Section 408(m), the assets so used will be treated as having been distributed to you in an amount equal to the cost of the collectibles. There is a limited exception to this rule for certain coins and bullion; please confirm with your Financial Advisor or Private Wealth Advisor whether or not Morgan Stanley currently permits coins and/or bullion to be held in your Account.

(E) FEDERAL INCOME TAX WITHHOLDING.

Federal income tax will be withheld at the rate of 10% from the taxable portion of your distribution unless you (or your Beneficiary) elects, on a form acceptable to us, not to have such amount withheld. Distributions made to you or your Beneficiary at an address outside of the United States or its possessions are subject to withholding.

(F) FEDERAL PENALTY TAXES.

(1) 10% Penalty Tax on Premature Distributions. If your Roth IRA distribution is not a Qualified Distribution or a qualified HSA funding distribution, a penalty tax of an amount equal to 10% of the earnings included in your Roth IRA distribution (or deemed distribution) is imposed, unless an exception listed below applies. Also, if your distribution includes any amount that was included in gross income due to a conversion or rollover from a Traditional IRA or a plan (the "taxable conversion amount") within the previous five taxable years (starting with the year of the distribution), the 10% penalty tax will be imposed on the taxable conversion amount even though the distribution was taxed at the time of conversion and is not otherwise taxable in the year of the Roth distribution, unless an exception listed below applies. The 10% penalty tax will not apply if the distribution is paid under any one of the following circumstances:

(i) you receive the distribution after you have attained age 59½;

(ii) your Beneficiary receives the distribution on account of your death;

(iii) you receive the distribution after you have become Disabled;

(iv) the distribution is part of a scheduled series of substantially equal payments made at least annually until the later of 5 years or your attaining age 59½ calculated using the life expectancy of you alone or jointly with your Beneficiary;

(v) the distribution is used as a rollover contribution to another Roth IRA;

(vi) the distribution is a Qualified First-time Homebuyer Distribution but not in excess of a $10,000 lifetime limit;

(vii) the distribution (together with all other premature Roth IRA, IRA and Retirement Plan distributions for the same year) is not in excess of your Qualified Higher Education Expenses for the year of the distribution;

(viii) the distribution (together with all other premature Roth IRA, IRA and Retirement Plan distributions for the same year) does not exceed your Qualified Medical Expenses in excess of 7.5% of your AGI;

(ix) the distribution is paid to you after separation from employment (or within 60 days of re-employment) in the same or next succeeding taxable year after you have received (or would have received but for your self-employment) Federal or state unemployment compensation for at least 12 consecutive weeks as a result of such unemployment provided the Roth IRA distribution is used to pay premiums for health care coverage during such period of unemployment;

(x) all or a portion of your Roth IRA is transferred to your spouse or former spouse pursuant to a court order of divorce, property distribution or maintenance;

(xi) The distribution is a Qualified Reservist Distribution; or

(xii) The distribution is a Disaster-Related Distribution.

(2) 6% Tax on Excess Contributions. An excise tax equal to 6% of any excess contribution is imposed for the taxable year in which such contribution is made and for each later year until the excess amount is eliminated. An excess contribution includes any amount that exceeds the Maximum Amount described in Section II(A) above or which fails to be a Qualified Rollover under Code Section 408(d)(3). If the amount of the excess and the earnings thereon are transferred to a Traditional IRA or are withdrawn from your Roth IRA prior to the due date for filing your Federal income tax return (with any extensions) for the year for which the contribution was made, the 6% excise tax will not be imposed and the earnings will be taxable income in the year in which the excess contribution was made. Any earnings so withdrawn will also be subject to the 10% tax on premature distributions unless one of the exceptions to that tax applies (see (1) above). If the excess contribution is withdrawn after your Federal income tax return is due, the 6% penalty tax is imposed and earnings will be taxable income in the year of the withdrawal (and the 10% additional tax on premature distributions may apply).

If an excess amount is contributed in one year and is not withdrawn in later years, the excess amount will be subject to a cumulative 6% excise tax each year until it has been withdrawn.

The excess contribution may be eliminated in later years if you contribute less than the Maximum Amount allowable in any year after the excess contribution is made. The portion of the excess contribution equal to your unused current year's Maximum Amount will then be treated as a current year contribution. If you contributed less than the Maximum Amount in years before the year you make an excess contribution; the prior years' "under contributions" may not be used to reduce the excess contribution.

You may be able to avoid having an excess contribution by applying the recharacterization rules described in Section III(D) above. However, an excess contribution from a prior year that is treated as a current year contribution under the preceding paragraph may not be recharacterized.

(G) Reports to the IRS. You must file IRS Form 8606 with your Federal income tax return for each year for which you receive a distribution from a Roth IRA. You must file IRS Form 5329 with the Internal Revenue Service for the taxable year during which you are subject to any of the penalty taxes described above.

(H) Internal Revenue Service Approval. The Morgan Stanley Roth IRA has been approved by the IRS as to form of the Roth IRA document only, and does not represent any endorsement or determination of the merits of opening such Roth IRA at Morgan Stanley.

(I) Additional Information. You may obtain further information about the Federal income taxation of individual retirement programs from any District Office of the Internal Revenue Service, or form the IRS website, www.irs.gov. You may want to review IRS Publication 590, Individual Retirement Arrangements.

(J) State Tax Rules. Some states and localities may have tax rules differing from the Federal rules with respect to Roth accounts. You should consult your tax advisor in this regard.

VII. Client Agreement and Arbitration

The brokerage account components of your Roth IRA are subject to the terms and conditions contained in the Client Agreement with Morgan Stanley, which include, among other requirements (e.g., Patriot Act disclosures) a pre-dispute arbitration provision. Any claims or controversies are subject to an arbitration clause as set forth in the Client Agreement.

VIII. Federal Estate and Gift Tax Rules

Amounts held in your Morgan Stanley Roth IRA are includible in your gross estate for Federal estate tax purposes (although IRA assets for which a non-estate Beneficiary is selected are not generally considered to be probate assets in most state jurisdictions). For further information about how your Roth IRA may fit in with your estate, consult your estate or tax advisor.

IX. Additional Financial Information

1. Account Maintenance and Other Fees

(a) Fee Schedule. A Fee Schedule is provided in Section XVI of this Disclosure Statement, listing the account fees described below, as well as additional fees which may be assessed against the Roth IRA for additional services. This Fee Schedule may be supplemented or amended by the Custodian upon notice.

(b) Timing and Payment Methods for the Maintenance Fee. The annual maintenance fee shall be charged for any calendar year or portion of any calendar year during which you have an IRA with us. Fees are due and payable on the following dates: (a) when you open your IRA; (b) for subsequent years, annual maintenances fees will be due on or after the 10th business day of the quarter-ending month on or after your account's anniversary month (if your account remains open on that date); and (c) the day you terminate or transfer your IRA.

The maintenance fee due when you open your IRA may be paid by means of a check made payable to the Custodian, a written direction to transfer funds from another Morgan Stanley account or by directing Morgan Stanley to deduct the fee from funds you are transferring or rolling over from an eligible retirement plan at another institution. Your annual maintenance fee for subsequent years will be automatically debited from the IRA unless you elect in writing one of the following methods: (i)) payment by means of a check made payable to Morgan Stanley or (ii) transfer of funds from another eligible Morgan Stanley non-retirement account (if possible) and, in the event payment is not made sooner under one of these two elections, the annual maintenance fees will be automatically debited from the IRA on or after the 10th business day of the quarter-ending month on or after your account's anniversary month. The maintenance fee that may be due upon the termination or transfer of your account will be automatically debited from your Roth IRA account in addition to the termination or transfer fee. To effect the payment of fees from an account when the fees are automatically debited, Morgan Stanley will liquidate assets in accordance with Section 6.3(f) of the Morgan Stanley Roth IRA document.

(c) Low Balance Household Fee. A Low Balance Household Fee will be charged quarterly to Morgan Stanley households which do not meet certain criteria. Morgan Stanley reserves the right to waive this fee, as described in (d) below. The details of the Low Balance Household fee are contained in the Fee Schedule included in this Disclosure Statement, as amended from time to time by us. The Fee will be charged to only one account in the household. Only Active Assets Accounts, Basic Securities Accounts and IRAs (Traditional or Roth) can be charged the fee. Your IRA balance will be used to determine whether this fee applies and the fee may be deducted from your IRA if you do not have enough assets in an Active Assets Account or Basic Securities Account to pay the fee.

(d) Fee Waivers. Morgan Stanley may, in its sole discretion, elect to discount or waive certain fees, including but not limited to IRA account fees, for certain customers. Morgan Stanley reserves the right to amend when fees are due and payable. To learn about the availability of any fee discounts or waivers, please contact your Morgan Stanley Financial Advisor or Private Wealth Advisor.

2. Other Compensation Earned by Morgan Stanley and its Affiliates

(a) Float. The Participant understands that the Custodian may retain, as compensation for its provision of services, your Account's proportionate share of any interest earned on aggregate cash balances held by Morgan Stanley or an affiliate with respect to assets awaiting investment. Such interest retained by the Custodian shall generally be at the prevailing Federal Funds interest rate.

"Assets awaiting investment" for these purposes include: (1) new deposits to the Account, including interest and dividends; and (2) any uninvested assets held by the Account caused by an instruction to the Custodian to purchase and sell securities (which may, after the period described below, be automatically swept into a sweep vehicle). With respect to such assets awaiting investment: (i) where such assets are received by the Custodian on a day on which the New York Stock Exchange is open ("Business Day") and before the close of the New York Stock Exchange on that day, such interest shall be earned by the Custodian through the end of the following Business Day; or (ii) where such assets are received on a Business Day but after the close of the New York Stock Exchange on such day, or on a day which is not a Business Day, such interest shall be earned through the end of the second following Business Day.

(b) Disclosure Regarding Payment for Order Flow and ECNs. Morgan Stanley is committed to providing best execution for customer orders. In furtherance of this commitment, Morgan Stanley considers several factors, including price, the available liquidity pool, execution speed, transaction costs, service and opportunities for price improvement in determining where to route customer orders for execution. Industry regulations require that we disclose whether we receive compensation for directing client orders for execution to various dealers, exchanges or market centers. This compensation is commonly referred to as "payment for order flow." Consistent with these considerations, Morgan Stanley and/or its affiliates accept benefits that constitute payment for order flow. Morgan Stanley routes customer orders to national securities exchanges, alternative trading systems ("ATSs"), including electronic communications networks ("ECNs"), and other market centers. Certain market centers offer cash credits for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books. From time to time, the amounts of credits that Morgan Stanley and/or its affiliates receive from one or more of such market centers may exceed the amount that is charged. Under these limited circumstances, such payments would constitute payment for order flow. Notwithstanding the foregoing, Morgan Stanley regularly and rigorously monitors the quality of the executions provided by all market centers to which customer orders are routed to ensure those market centers are providing the best execution reasonably available under the circumstances. Additional information regarding these disclosures will be provided upon written request and certain order routing information is available online at www.morganstanleyindividual.com/CustomerService/Disclosures/#2.

Morgan Stanley and/or its affiliates have ownership interests in and/or Board seats on ECNs or other ATSs. In certain instances, Morgan Stanley and/or its affiliates may be deemed to control one or more of such ECNs or ATSs based on the level of such ownership interests and whether Morgan Stanley and/or its affiliates are represented on the Board of such ECNs or ATSs. Morgan Stanley and/or its affiliates may from time to time, directly or indirectly, effect client trades through ECNs or other ATS in which Morgan Stanley and/or its affiliates have or may acquire an interest or Board seat, and Morgan Stanley and/or its affiliates may thereby receive an indirect economic benefit based upon their ownership in the ECNs or other ATS. Morgan Stanley and/or its affiliates will, directly or indirectly, execute through an ECN or other ATS in which it has an interest only in situations where Morgan Stanley and/or its affiliates, or the broker dealer through whom they are accessing the ECN or ATS, reasonably believes such transaction will be in the best interest of its clients and the requirements of applicable law have been satisfied.

In particular, pursuant to certain arrangements that were entered into in connection with the formation of Morgan Stanley, it is contemplated that Morgan Stanley, subject at all times to its obligations to obtain best execution for its customers' orders, will route certain customer order flow to its affiliates, Morgan Stanley & Co. LLC and Citigroup Global Markets Inc. Furthermore, currently, Morgan Stanley and/or its affiliates (including affiliates of Morgan Stanley & Co. LLC and Citigroup Global Markets Inc.) own over 5% of the voting securities of certain ECNs or ATSs, including: (i) BATS Trading, Inc., operator of BATS Electronic Trading Network (commonly referred to as "BATS"); (ii) the entities that own and control the Block Interest Discovery Service (commonly referred to as "BIDS"); (iii) LavaFlow Inc.; (iv) EBX Group, LLC; (v) ELX Futures Holdings, LLC; (vi) ELX Futures, LP; (vii) The MuniCenter; (viii) Boston Options Exchange, LLC; (ix) FX Alliance Inc.; (x) National Securities Exchange; (xi) the entity that owns and controls Pure Trading (Canadian Trading and Quotation System Inc., or "CNQ"); (xii) Optifreeze (Ballista Securities); (xiii) Liquidity Hub Limited; (xiv) NYSE Life US; (xv) OTC DerivNet; (xvi) TradeWeb; (xvii) Green Exchange Holdings LLC; and (xviii) MARKIT. Other exchanges, ECNs or ATSs on which Morgan Stanley may execute trades for client accounts include Archipelago, eSpeed, Instinet, NYFIX, Track ECN, BondDesk, ValuBond, and MarketAxe. The ECNs and ATSs on which Morgan Stanley trades for client accounts and in which Morgan Stanley and/or its affiliates own interests may change from time to time. You may contact your Financial Advisor or Private Wealth Advisor for an up-to-date list of ECNs and ATSs in which Morgan Stanley and/or its affiliates own interests.

(c) Brokerage Expenses. To the extent separately charged (as opposed to being included in any Managed Account fee), brokerage expenses will be charged against your IRA and will be provided to you through securities transaction confirms.

3. Other Expenses. Any taxes of any kind which may be imposed with respect to your IRA and any reasonable expenses incurred by us in the administration of your IRA together with any fees referred to above, shall be paid by you or, if not timely paid, will be charged against your IRA.

X Definitions

Any capitalized term used in this Disclosure Statement that is not defined in the text when the term first appears shall have the meaning set forth below. Any capitalized term used but not defined in this Disclosure Statement shall have the meaning given to it in Article I of the Morgan Stanley IRA document.

1. "Adjusted Gross Income" or **"AGI"** is your total income less certain deductions as shown on your Federal income tax return, but modified under Code Section 219(g)(3)(A), by adding in certain otherwise excludible income and deductions such as foreign earned income, adoption assistance or expenses, income from U.S. Savings Bonds used to pay Qualified Higher Education Expenses, student loan interest and deductible Traditional IRA contributions.

2. "Modified Adjusted Gross Income" or "MAGI" is your AGI but does not include a taxable conversion amount or, for taxable years after 2004, required minimum distributions. MAGI is used to determine your ability to deduct Traditional IRA contributions as well as to determine your eligibility to contribute to a Roth IRA.

3. "Disabled" shall mean you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or be of long-continued and indefinite duration. Under Code Section 72(m)(7) you must, if requested by the IRS, be able to furnish proof of your disability in a form and manner acceptable to the IRS.

4. "Qualified First-Time Homebuyer Distribution" shall mean any distribution used, within 120 days of the date the distribution is received, to pay for the acquisition, construction or reconstruction of the principal residence of the Participant, Participant's spouse or the child, grandchild or ancestor of the Participant or Participant's spouse, provided that the individual for whom the principal residence is acquired or constructed (and the individual's spouse) had no present ownership interest in a principal residence during the two-year period ending on the date a binding contract to acquire the principal residence was entered into or on which construction or reconstruction of the principal residence commenced. The aggregate amount of distributions received by the Participant during the Participant's lifetime which may be treated as Qualified First-time Homebuyer Distributions may not exceed $10,000.

5. "Qualified Higher Education Expenses" shall mean tuition, fees, books, supplies and equipment required for, and expenses for special needs services incurred in connection with, the enrollment or attendance of the Participant, the Participant's spouse or the child (as defined in Code Section 152(f)(1)) or grandchild of the Participant or Participant's spouse, at an eligible educational institution (as defined in Code Section 529(e)(5)) reduced, for any taxable year, by any amount paid for the benefit of the student consisting of a qualified scholarship, qualified educational assistance allowance or similar payment or qualified distributions from a qualified tuition program or an Education Savings Account which is excludible from gross income under the Code or any other Federal law. Qualified Higher Education Expenses also include room and board for students who are at least half-time up to the greater of the educational institution's allowance for room and board in its cost of attendance (as described in Section 472 of the Higher Education Act) or the amount actually charged for room and board to a student residing in the institution's housing.

6. "Qualified Medical Expenses" shall mean any amount paid for medical care (as defined in Code Section 213(d)) which you would be allowed to treat as a deductible medical expense if you itemized your deductions for that year. For purposes of exempting a distribution from the 10% premature distribution penalty tax, it is not required that you actually itemize your deductions for the relevant year.

7. "Disaster-Related Distributions" currently include certain IRA distributions made before 2007 to individuals who sustained economic losses on account of Hurricane Katrina, Rita or Wilma, before 2009 to individuals who sustained losses attributable to the Kansas storms and tornados of May 4, 2007, and before 2010 to individuals who sustained losses attributable to certain Midwestern storms, tornados or flooding in 2008, if certain requirements, set forth in Code Section 1400Q(a), are satisfied. The total of an individual's Disaster-Related Distributions from all IRAs and employer plans is limited to $100,000. Congress may permit other Disaster-Related Distributions from time to time.

8. "Qualified Reservist Distribution" shall mean a distribution made from an IRA to a member of a reserve component ordered or called to active duty after September 11, 2001, if certain requirements are met. Under Code Section 72(t)(2)(G), the individual must be ordered or called to active duty for a period in excess of 179 days or for an indefinite period. In addition, the distribution must be made during the period beginning on the date of such order or call and ending at the close of the active duty period.

XI IRA Fee Schedule (Effective April 1, 2012)

This Fee Schedule is part of the Morgan Stanley Roth IRA Document, but may be changed upon notification to the Participant in accordance with Article X of the Roth IRA document. Morgan Stanley reserves the right, in its sole discretion, to elect to discount or waive certain fees, including but not limited to Morgan Stanley's IRA maintenance fees, for certain customers. To learn about the availability of any fee discounts or waivers, please contact your Morgan Stanley Financial Advisor or Private Wealth Advisor.

(A) ACCOUNT FEES:

Annual Maintenance Fee: $75
Account Termination Fee: $95 per account
Account Transfer Fee: $95 per account

Note: In the event that both the termination and transfer fees apply, only the transfer fee will be assessed.

(B) DESCRIPTION OF FEES:

(1) Maintenance Fees: The annual maintenance fee shall be charged for any calendar year or portion of any calendar year during which you have an IRA with us. Maintenance Fees are due and payable on the following dates: (a) when you open your IRA; (b) for subsequent years, annual maintenances fees will be due on or after the 10th business day of the quarter-ending month on or after your account's anniversary month; and (c) the day you terminate or transfer your IRA.

The maintenance fee due when you establish your IRA may be paid by means of a check made payable to the Custodian, a written direction to transfer funds from another Morgan Stanley non–retirement account or by directing Morgan Stanley to deduct the fee from funds you are transferring or rolling over from an eligible retirement plan at another institution. Your annual maintenance fee will be automatically debited from the IRA unless you elect in writing one of the following methods: (i)) payment by means of a check made payable to Morgan Stanley or (ii) transfer of funds from another eligible non-retirement Morgan Stanley account (if possible) and, in the event payment is not made sooner under one of these two elections, the annual maintenance fees will be automatically debited from the IRA on or after the 10th business day of the quarter-ending month on or after your account's anniversary month (if your IRA remains open on that date). The maintenance fee due upon the termination or transfer of your account will be automatically debited from your IRA account. To effect the payment of fees from an account when the fees are automatically debited, Morgan Stanley will liquidate assets in accordance with Section 6.3(f) of the Morgan Stanley Roth IRA document.

(2) Termination/Transfer Fees: Account termination or transfer fees are charged when your IRA is closed. Termination fees are not charged if the account is distributed in any year following your disability or death or at age 75 or older. The Account Transfer Fee will be imposed for any or all account assets transferred from your Morgan Stanley Roth IRA to another financial institution. In the event both the termination and transfer fees would apply, only the transfer fee will be assessed.

(3) Brokerage/Advisory/Transaction Expenses: Brokerage commissions/fees, and other transaction related expenses will be charged directly to your IRA. The amount of any advisory or Managed Account fees will be as set forth in the applicable Managed Account agreement.

(C) LOW BALANCE HOUSEHOLD FEE:

(a) Currently, a Low Balance Household* Fee of $50 per calendar quarter will be charged to households with less than $25,000 in Eligible Assets and Liabilities subject to the householding rules applicable to your account(s).** The fee will be charged to only one account in the household. Only Active Assets Accounts, Basic Securities Accounts and Morgan Stanley IRAs (Traditional or Roth) can be charged the fee.

All accounts within a household will be included in determining the total household value. Certain qualified plans and other accounts may not be eligible for householding with other account types. Accounts enrolled in the following services will be reviewed to determine whether the low balance threshold has been reached, but will not be charged the fee: managed-account programs, Choice

* A household comprises one or more accounts formally grouped under one individual designated as the Head of Household. Certain accounts can be included in the household if the account address matches the Head of Household address or if the account owner qualifies, based on his/her familial relationship to the Head of Household.

** Eligible Assets and Liabilities refers to certain assets and liabilities that you have with the Custodian and may include equities, bonds, CDs, alternative investments, unit investment trusts, exchange-traded funds, mutual funds, 529 plans, insurance and annuities, as well as outstanding balances on Morgan Stanley Home Loans, also known as CreditSource® mortgages and home equity products (if you have consented to share this balance information), and margin loans. The Morgan Stanley Home Loans, also known as the CreditSource Program, is offered, and residential loans are made, by Morgan Stanley Credit Corporation and affiliated companies. Morgan Stanley Smith Barney LLC is not the lender. We arrange, but do not make, loans. Not all assets and liabilities qualify for the Benefits Programs. Contact your Financial Advisor or Private Wealth Advisor for more information regarding householding.

Select,℠ Stock Option Plans ("SOPs"), Coverdell Education Savings, College SAVE 529, SEP, SIMPLE, VIP and RPM accounts.

(b) If there is more than one eligible account in the household to be charged, then:

- Active Assets Accounts (including Business Accounts but excluding BusinesScape Accounts) will be charged before Basic Securities Accounts:
- Basic Securities Accounts will be charged before IRAs.
- If there are no Active Assets Accounts or Basic Securities Accounts, then IRAs will be charged.
- Clients new to Morgan Stanley have until one year from the date the new household has been established before the Low Balance Household Fee is charged.

(D) OTHER CHARGES: Please ask your Financial Advisor or Private Wealth Advisor for information about other fees that may apply to your IRA relating to services that are now, or may be offered in the future.

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

JAN 27 2010

Morgan Stanley Smith Barney LLC
2000 Westchester Avenue
Purchase, New York 10577

Employer Identification Number: 26-4310844

Ladies and Gentlemen:

In a letter dated October 1, 2009, and as supplemented by letters dated November 30, 2009, and January 4 and 8, 2010, your authorized representative requested a written Notice of Approval that Morgan Stanley Smith Barney LLC may act as a passive or non-passive nonbank custodian of medical savings accounts established under section 220 of the Internal Revenue Code and health savings accounts described in section 223, passive or non-passive nonbank custodian of plans qualified under section 401 and accounts described in section 403(b)(7), passive or non-passive nonbank custodian for individual retirement accounts (IRAs) established under sections 408, and 408A (dealing with Roth IRAs), passive or non-passive nonbank custodian of Coverdell education savings accounts established under section 530, and as a passive or non-passive nonbank custodian of eligible deferred compensation plans described in section 457(b).

Section 220(d)(1)(B) of the Code (dealing with Archer MSAs (medical savings accounts)) provides, in pertinent part, that the trustee of a medical savings account must be a bank (as defined in section 408(n)), an insurance company (as defined in section 816), or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section. Q & A-10 of Notice 96-53, 1996-2 C.B. 219 provides, in pertinent part, that persons other than banks, insurance companies, or previously approved IRA trustees or custodians may request approval to be a trustee or custodian in accordance with the procedures set forth in section 1.408-2(e) of the Income Tax Regulations.

Section 223(d)(1)(B) of the Code provides, in pertinent part, that the trustee of a health savings account must be a bank (as defined in section 408(n)), an insurance company (as defined in section 816), or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section. Section 223(d)(4)(E) provides, in general, that rules similar to section 408(h) (dealing with custodial accounts) also apply to health savings accounts.

Morgan Stanley Smith Barney LLC

Section 401(f)(1) of the Code provides that a custodial account shall be treated as a qualified trust under this section if such custodial account would, except for the fact it is not a trust, constitute a qualified trust under this section. Section 401(f)(2) provides that the custodian must be a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will hold the assets will be consistent with the requirements of section 401 of the Code. Section 401(f) also provides that in the case of a custodial account treated as a qualified trust, the person holding the assets of such account shall be treated as the trustee thereof.

Section 403(b)(7)(A) of the Code requires, in part, that for amounts paid by an employer to a custodial account to be treated as amounts contributed to an annuity contract for his employee, the custodial account must satisfy the requirements of section 401(f)(2). That section also requires, in order for the amounts paid by an employer to be treated as amounts contributed to an annuity contract for his employee, that the amounts are to be invested in regulated investment company stock to be held in the custodial account, and under the custodial account no such amounts may be paid or made available to any distributee before the employee dies, attains age 59 1/2, has a severance from employment, becomes disabled (within the meaning of section 72(m)(7)), or in the case of contributions made pursuant to a salary reduction agreement (within the meaning of section 3121(a)(5)(D)), encounters financial hardship.

Section 408(a)(2) of the Code requires that the trustee of an IRA be a bank (as defined in section 408(n) of the Code) or such other person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the IRA will be consistent with the requirements of section 408.

Section 408(h) of the Code provides that a custodial account shall be treated as a trust under this section if the assets of such account are held by a bank (as defined in subsection (n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an IRA described in subsection (a). Section 408(h) also provides that, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

Section 408A of the Code provides, in general, that a Roth IRA shall be treated in the same manner as an individual retirement plan. Section 7701(a)(37)(A) defines an individual retirement plan as an individual retirement account described in section 408.

Section 530(b)(1)(B) of the Code (dealing with Coverdell education savings accounts) requires that the trustee of such an account be a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section or who has so demonstrated with respect to any individual retirement plan.

Section 530(g) of the Code (dealing with Coverdell education savings accounts) provides that a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 408(n)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an account described in subsection (b)(1). For purposes of title 26 [the Internal Revenue Code], in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

Section VII of Notice 98-8, 1998-1 C.B. 355 (guidance relating to the requirements applicable to eligible deferred compensation plans described in section 457(b) of the Code), provides, in pertinent part, that for purposes of the trust requirements of section 457(g)(1), a custodial account will be treated as a trust if the custodian is a bank, as described in section 408(n), or a person who meets the nonbank trustee requirements of section VIII of this notice, and the account meets the requirements of section VI of this notice, other than the requirement that it be a trust. Section VIII provides that the custodian of a custodial account may be a person other than a bank only if the person demonstrates to the satisfaction of the Commissioner that the manner in which the person will administer the custodial account will be consistent with the requirements of sections 457(g)(1) and (g)(3) of the Code. To do so, the person must demonstrate that the requirements of paragraphs (2)-(6) of section 1.408-2(e) of the regulations relating to nonbank trustees will be met.

The Income Tax Regulations at section 1.408-2(e) contain the requirements that such other person must comply with in order to act as trustee or custodian, for purposes of sections 220, 223, 401(f), 403(b)(7), 408(a)(2), 408(h), 408(q), 408A, 457(b) and 530 of the Code. One of the requirements of section 1.408-2(e) states that such person must file a written application with the Commissioner demonstrating, as set forth in that section, its ability to act as a trustee or custodian.

Based on all the information submitted to this office and all the representations made in the application, we have concluded that Morgan Stanley Smith Barney LLC meets the requirements of section 1.408-2(e) of the regulations and, therefore, is approved to act as a passive or non-passive nonbank custodian of medical savings accounts established under section 220 of the Internal Revenue Code and health savings accounts described in section 223, passive or non-passive nonbank custodian of plans qualified under section 401 and accounts described in section 403(b)(7), passive or non-passive nonbank custodian for individual retirement accounts (IRAs) established under sections 408, and 408A (dealing with Roth IRAs), passive or non-passive nonbank custodian of Coverdell education savings accounts established under section

530, and as a passive or non-passive nonbank custodian of eligible deferred compensation plans described in section 457(b).

This Notice of Approval authorizes Morgan Stanley Smith Barney LLC to act as a passive or non-passive nonbank custodian. When Morgan Stanley Smith Barney LLC acts as a passive nonbank custodian (within the meaning of section 1.408-2(e)(6)(i)(A) of the regulations), it is authorized only to acquire and hold particular investments specified by the custodial agreement. It may not act as a passive custodian if under the written custodial agreement it has discretion to direct investments of the custodial funds.

This Notice of Approval authorizes Morgan Stanley Smith Barney LLC to pool the accounts for which it acts as a non-passive custodian in a common investment fund within the meaning of section 1.408-2(e)(5)(viii)(C) of the regulations. Morgan Stanley Smith Barney LLC may not act as a custodian unless it undertakes to act only under custodial agreements that contain a provision to the effect that the grantor is to substitute another trustee or custodian upon notification by the Commissioner that such substitution is required because Morgan Stanley Smith Barney LLC has failed to comply with the requirements of section 1.408-2(e) of the regulations or is not keeping such records, or making such returns or rendering such statements as are required by forms or regulations. For example, one such form is Form 990-T for IRAs that have $1000 or more of unrelated business taxable income that is subject to tax by section 511(b)(1) of the Code.

Morgan Stanley Smith Barney LLC is required to notify the Commissioner of Internal Revenue, Attn: SE:T:EP:RA, Internal Revenue Service, Washington, D.C. 20224, in writing, of any change which affects the continuing accuracy of any representations made in its application. Further, the continued approval of Morgan Stanley Smith Barney LLC to act as a passive or non-passive nonbank custodian of medical savings accounts established under section 220 of the Internal Revenue Code and health savings accounts described in section 223, passive or non-passive nonbank custodian of plans qualified under section 401 and accounts described in section 403(b)(7), passive or non-passive nonbank custodian for individual retirement accounts (IRAs) established under sections 408, and 408A (dealing with Roth IRAs), passive or non-passive nonbank custodian of Coverdell education savings accounts established under section 530, and as a passive or non-passive nonbank custodian of eligible deferred compensation plans described in section 457(b) is contingent upon the continued satisfaction of the criteria set forth in section 1.408-2(e) of the regulations.

This Notice of Approval is not transferable to any other entity. An entity that is a member of a controlled group of corporations, within the meaning of section 1563(a) of the Code, may not rely on a Notice of Approval issued to another member of the same controlled group. Furthermore, any entity that goes through an acquisition, merger, consolidation or other type of reorganization may not necessarily be able to rely on the Notice of Approval issued to such entity prior to the acquisition, merger, consolidation or

Morgan Stanley Smith Barney LLC

other type of reorganization. Such entity may have to apply for a new Notice of Approval in accordance with section 1.408-2(e) of the regulations.

This Notice of Approval constitutes a notice that Morgan Stanley Smith Barney LLC may act as a passive or non-passive nonbank custodian of medical savings accounts established under section 220 of the Internal Revenue Code and health savings accounts described in section 223, passive or non-passive nonbank custodian of plans qualified under section 401 and accounts described in section 403(b)(7), passive or non-passive nonbank custodian for individual retirement accounts (IRAs) established under sections 408, and 408A (dealing with Roth IRAs), passive or non-passive nonbank custodian of Coverdell education savings accounts established under section 530, and as a passive or non-passive nonbank custodian of eligible deferred compensation plans described in section 457(b) and does not bear upon its capacity to act as a custodian under any other applicable law. This is not an endorsement of any investment. The Internal Revenue Service does not review or approve investments.

This Notice of Approval is effective as of the date of this notice and will remain in effect until withdrawn by Morgan Stanley Smith Barney LLC or revoked by the Service. This Notice of Approval does not authorize Morgan Stanley Smith Barney LLC to accept any fiduciary account before this notice becomes effective.

In accordance with the power of attorney on file in this office, a copy of this notice is being sent to your authorized representative.

If you have any questions, please contact Mr. Ernest L. Tichenor (Badge No. 50-37980) at (202) 283-9571.

Sincerely,

Carlton A. Watkins

Carlton A. Watkins, Manager
Employee Plans Technical Group 1

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Plan Name: IRA Custodial Account 001
FFN: 50116610000-001 Case: 201100256 EIN: 26-4310844
Letter Serial No: M120380d

MORGAN STANLEY SMITH BARNEY LLC
2000 WESTCHESTER AVENUE
PURCHASE, NY 10577

Contact Person:
Ms. Roslynn B. Perry
Telephone Number:
(202) 283-9624
In Reference To: SE:T:EP:RA
Date: 07/12/2011

Dear Applicant:

In our opinion, the amendment to the form of the prototype trust, custodial account or annuity contract/endorsement identified above does not adversely affect its acceptability under section 408 of the Internal Revenue Code, as amended through the Small Business Jobs Act of 2010.

Each individual who adopts this approved prototype will be considered to have an IRA that satisfies the requirements of Code section 408, provided the individual follows the terms of the approved prototype, does not engage in certain transactions specified in Code section 408(e), and, if the arrangement is a trust or custodial account, the trustee or custodian is a bank within the meaning of Code section 408(n) or has been approved by the Internal Revenue Service pursuant to Code section 408(a)(2).

Code section 408(i) and related regulations require that the trustee, custodian or issuer of a contract provide a disclosure statement to each adopting individual as specified in the regulations. Publication 590, Individual Retirement Arrangements (IRAs), gives information about the items to be disclosed. The trustee, custodian or issuer of a contract is also required to provide each adopting individual with annual reports of all transactions related to the IRA.

The Internal Revenue Service has not evaluated the merits of this IRA and does not guarantee contributions or investments made under the IRA. Furthermore, this letter does not express any opinion as to the applicability of Code section 4975, regarding prohibited transactions.

This prototype IRA may have to be amended to include or revise provisions in order to comply with future changes in the law or regulations.

If you have any questions concerning IRS processing of this case, call us at the above telephone number. Please refer to the File Folder Number (FFN) shown in the heading of this letter. Please provide those adopting this prototype with your telephone number, and advise them to contact your office if they have any questions about the operation of their IRA. Please provide a copy of this letter to each adopting individual.

You should keep this letter as a permanent record. Please notify us if you terminate sponsorship of this prototype IRA.

Sincerely Yours,

Andrew E. Zuckerman
Director, Employee Plans Rulings and Agreements

TAX EXEMPT AND GOVERNMENT ENTITIES DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Plan Name: Roth IRA Custodial Account 004
FFN: 50116610000-004 Case: 201100257 EIN: 26-4310844
Letter Serial No: M100795e

MORGAN STANLEY SMITH BARNEY LLC
2000 WESTCHESTER AVENUE
PURCHASE, NY 10577

Contact Person:
Ms. Roslynn B. Perry
Telephone Number:
(202) 283-9624
In Reference To: SE:T:EP:RA
Date: 07/12/2011

Dear Applicant:

In our opinion, the amendment to the form of the prototype trust, custodial account or annuity contract/endorsement identified above does not adversely affect its acceptability for use as a Roth IRA under section 408A of the Internal Revenue Code, as amended through the Small Business Jobs Act of 2010.

Each individual who adopts this approved prototype will be considered to have a Roth IRA that satisfies the requirements of Code section 408A, provided the individual follows the terms of the approved prototype document, does not engage in certain transactions specified in Code section 408(e), and, if the Roth IRA is a trust or custodial account, the trustee or custodian is a bank within the meaning of Code section 408(n) or has been approved by the Internal Revenue Service pursuant to Code section 408(a)(2).

Code section 408(i) and related regulations require that the trustee, custodian or issuer of a contract provide a disclosure statement to each adopting individual as specified in the regulations. Publication 590, Individual Retirement Arrangements (IRAs), gives information about the items to be disclosed. The trustee, custodian or issuer of a contract is also required to provide each adopting individual with annual reports of all transactions related to the IRA.

The Internal Revenue Service has not evaluated the merits of this IRA and does not guarantee contributions or investments made under the IRA. Furthermore, this letter does not express any opinion as to the applicability of Code section 4975, regarding prohibited transactions.

This prototype IRA may have to be amended to include or revise provisions in order to comply with future changes in the law or regulations.

If you have any questions concerning IRS processing of this case, call us at the above telephone number. Please refer to the File Folder Number (FFN) shown in the heading of this letter. Please provide those adopting this prototype with your telephone number, and advise them to contact your office if they have any questions about the operation of their IRA. Please provide a copy of this letter to each adopting individual.

You should keep this letter as a permanent record. Please notify us if you terminate sponsorship of this prototype IRA.

Sincerely Yours,

Andrew E. Zuckerman
Director, Employee Plans Rulings and Agreements

Summary of the Bank Deposit Program Effective October 2012

Through the Bank Deposit Program ("BDP"), cash balances are automatically deposited, or "swept" into interest-bearing FDIC-insured deposit accounts ("Deposit Accounts") established for you by Morgan Stanley at one or more Sweep Banks: Morgan Stanley Bank, N.A. ("MSBNA") and Morgan Stanley Private Bank, National Association ("MSPBNA" and, together with MSBNA, the "MS Banks"), or Citibank, N.A. ("Citibank"). The Deposit Accounts at each Sweep Bank are established through and in the name of Morgan Stanley, as agent and custodian for its clients, and consist of a demand deposit account ("DDA") and money market deposit account ("MMDA"). Your monthly Account statement will reflect your balances in each Sweep Bank.

If Citibank is your Sweep Bank, all funds will be deposited at Citibank without limit. If the MS Banks are your Sweep Banks, each bank will have a Deposit Limit of $490,000 for joint accounts and $245,000 for all other accounts. Deposit Limits are set slightly below the FDIC insurance thresholds to allow for accrued interest on the Deposit Accounts.

Funds are deposited at MSBNA up to the Deposit Limit, then MSPBNA up to the Deposit Limit. If your funds exceed the Deposit Limit at each Sweep Bank, excess funds will be deposited, without limit, into your Deposit Accounts at MSBNA, which means that you are likely to have funds at MSBNA that are not FDIC insured.

Withdrawals from your Deposit Accounts will be made on a "last in, first out" basis, which means that funds will be withdrawn from the Sweep Banks in the reverse order from which the funds were deposited.

Morgan Stanley may notify you by letter, an entry on your Account statement or other means that your Sweep Bank is changing in approximately 10 business days. If the MS Banks are your Sweep Banks, we may notify you that Citibank will become your Sweep Bank and, if Citibank is your Sweep Bank, we may notify you that the MS Banks will become your Sweep Banks. We may also notify you that the order of your deposits to the MS Banks is changing. However, you may contact your Financial Advisor or Private Wealth Advisor, to block deposits to (1) Citibank, (2) MSPBNA, or (3) MSBNA and MSPBNA.

To review current interest rates and the BDP Disclosure Statement, please visit http://www.morganstanleyindividual.com/accountoptions/activeassets/investmentfeatures/.

INTEREST RATES GENERALLY

The DDAs and MMDAs will earn the same rate of interest at each Sweep Bank. Interest rates on the DDAs and MMDAs are variable and subject to change without notice. Morgan Stanley and the Sweep Banks reserve the right to change the methodology used to determine the interest rates in their sole discretion. The Sweep Banks generally set the rates on a weekly basis, but may set the rates more or less frequently. Morgan Stanley generally recommends the interest rates and the Sweep Banks have the authority to modify the rates before approving and implementing them. The rate is generally based on a variety of factors including, but not limited to, prevailing economic and market conditions. Our ability to influence the rate on your Deposit Accounts presents a conflict of interest.

BROKERAGE ACCOUNT INTEREST RATE TIERS

Brokerage accounts with BDP as their sweep option receive different tiered interest rates based upon the value of your BDP Pricing Group. A BDP Pricing Group is valued based upon the eligible assets in accounts within a household grouped together based on the same address. In addition, accounts utilizing the same social security number or tax identification number in a household may be included in a BDP Pricing Group even if the account address is different from the other accounts.

The interest rate tiers are as follows:

- $10,000,000 or greater
- $1,000,000 to $9,999,999.99
- $500,000 to $999,999.99
- $250,000 to $499,999.99
- $100,000 to $249,999.99
- Less than $100,000

ADVISORY ACCOUNT INTEREST RATES

The interest rate for Advisory Account balances in BDP is the same as the highest tiered interest rate available to Brokerage Account balances.

FEE TO MORGAN STANLEY

Each Sweep Bank will pay Morgan Stanley a fee equal to the percentage of the average daily deposit balances in your Deposit Account at the Sweep Bank. The amount of the fee received by Morgan Stanley will affect the interest rate paid by the Sweep Bank on your Deposit Accounts. Affiliates of Morgan Stanley may also receive a financial benefit in the form of credit allocations made for financial reporting purposes. No other charges, fees or commissions will be imposed on your account as a result of or otherwise in connection with the Program.

CONFLICTS OF INTEREST AND OTHER BENEFITS

Morgan Stanley, the Sweep Banks and their affiliates may receive other financial benefits in connection with the BDP. The Sweep Banks may use the cash balances in their Deposit Accounts to fund certain lending activity. As with other depository institutions, the profitability of the Sweep Banks is determined in large part by the difference between the interest paid and other costs incurred by them on the Deposit Accounts, and the interest or other income earned on their loans, investments and other assets. Deposits in Deposit Accounts provide the Sweep Banks with a stable, cost-effective source of lendable funds.

FDIC COVERAGE

Funds in the Deposit Accounts (principal and accrued interest) at each Sweep Bank are eligible for FDIC insurance up to a specified amount per depositor (the "Maximum Applicable Insurance Limit") in each insurable capacity (e.g., individual or joint). The Maximum Applicable Insurance Limit is $250,000. Please keep in mind, however, that the Maximum Applicable Insurance Limit is established per depositor.

Any deposits that you maintain in the same capacity directly with a Sweep Bank (including CDs), or through an intermediary (such as Morgan Stanley or another broker), will be aggregated with deposits in your Deposit Accounts at that Sweep Bank for purposes of the Maximum Applicable Insurance Limit. You are responsible for monitoring the total amount of deposits that you have with each Sweep Bank, in order to determine the extent of FDIC deposit insurance coverage available to you. We are not responsible for any insured or uninsured portion of a Deposit Account at a Sweep Bank. Please visit www.fdic.gov for more information.

Balances maintained in the Deposit Accounts at each Sweep Bank are not protected by SIPC or any excess coverage purchased by Morgan Stanley.

Client Agreement*

In the following agreement, the words "we," "us," "our" and "MSSB" refer to Morgan Stanley Smith Barney LLC. The words "you," "your," "yours" and "client" refer to the account owner (Note that, in the case of an IRA, "you" refers to "you" as the beneficial owner of the account custodied by MSSB, or, in the case of a CESA, the individuals that may be involved in the CESA account (such as the "Contributor" to the Account, the designated Beneficiary or the applicable "Responsible Individual," as the case may be, each as defined in the CESA document)).

In consideration of MSSB opening, maintaining or servicing an account or multiple accounts on your behalf, it is agreed that the terms and conditions of this Client Agreement for Active Assets Accounts, IRAs and CESAs (the "Agreement") apply to any and all such accounts that you, in any and all capacities, open and maintain with or through MSSB or its direct or indirect subsidiaries and affiliates, now or in the future.

The provisions of this Agreement shall be continuous. Your heirs, executors, administrators, assigns or successors will also be bound by the term of this Agreement, as will any successor organization or assign of MSSB. Except for the statute of limitations applicable to claims, this Agreement is governed by the laws of the State of New York (and, with respect to IRAs and CESAs, the provisions of the U.S. Internal Revenue Code of 1986, as amended, and any successor tax statutes (the "Code")), without giving effect to principles of the conflict of laws. If any provision of this Agreement becomes inconsistent with any applicable current or future law, rule or regulation, that provision will be deemed changed to conform to the law. However, all other provisions will remain in effect. If any provision of this Agreement is determined by competent authority to be prohibited or unenforceable in any jurisdiction, that provision shall be deemed ineffective in that jurisdiction without invalidating the rest of this Agreement, nor rendering such provision invalid or unenforceable in any other jurisdiction.

Unless otherwise required by applicable law, and except as set forth in this Agreement or in other disclosures provided to you, neither we nor any other entity performing services in connection with this Agreement will be liable for consequential, special or indirect damages or losses. This Agreement does not confer any rights on any third parties, including any additional cardholders and Authorized Check Signers.

You agree that our failure to insist at any time upon strict compliance with any term of this Agreement, or any delay or failure on our part to exercise any power or right given to us in this Agreement, or a continued course of such conduct on our part shall at no time operate as a waiver of such power or right, nor shall any single or partial exercise preclude any other further exercise. All rights and remedies given to us in this Agreement are cumulative and not exclusive of any other rights or remedies which we otherwise have.

MSSB may amend, supplement, modify or rescind any and all provisions of this Agreement, and, unless they are adverse to you or notice is required either by the provisions of applicable law or other governing agreements applicable to your account, such changes will take effect without notice to you. If, however, such changes are adverse to you, we will provide you with notice in accordance with applicable regulations before such changes take effect. Subject to the requirements of applicable law, MSSB may sell, transfer or assign this Agreement, in whole or in part, at any time with or without notice to you. You may not sell, assign or transfer any of your obligations under this Agreement without the express written consent of MSSB.

We may, with or without notice to you, decline to offer you certain services or cancel existing services available under this Agreement at our sole discretion consistent with the requirements of applicable law and other governing agreements applicable to your account.

You acknowledge that all agreements hereunder may be executed in counter parts. Certain features of your account may be subject to additional applications and agreements that also govern or supplement this Agreement (including the IRA and/or CESA Adoption Agreement), all of which collectively govern your relationship with MSSB.

Any language in this Client Agreement or related agreements that may conflict or be inconsistent with the applicable IRA or CESA custodial agreements and plan documents or Sections 408 or 4975 of the Code, and the regulations thereunder, shall be interpreted to be consistent and in compliance with the IRA or CESA custodial agreements and plan documents, and those Sections of the Code and regulations thereunder. To the extent it is not possible to interpret such language to be consistent and compliant with such IRA and/or CESA custodial agreements and plan documents or these Code provisions and regulations, then such language shall be of no force or effect to the extent of such inconsistency or noncompliance.

1. Communicating with You

From time to time, but no less frequently than quarterly, we will send you statements for your accounts. We will also send you transaction confirmations as required by law or regulation. We will keep on file for you a mailing address that you provide (including an email address if so provided), and will use the address specified by you or any updated address you provide, to send you written communication by mail or other methods. We will consider any communication delivered to that address as delivered to you personally. You must notify us immediately of any change to your mailing or email address. If MSSB becomes aware of a change of your mailing address through notification from the U.S. Postal Service, it may update its records accordingly, however, MSSB has no obligation to you to update your mailing address unless you have personally notified us of the address change.

You acknowledge that the rules of the Securities and Exchange Commission (the "SEC") require that certain communications be sent to you rather than to an agent acting on your behalf. You warrant that the address specified by you is an address where you personally receive communications unless it is the address of a qualified custodian as defined by the SEC.

You acknowledge that if you have provided instructions to link your account(s) with separate accounts of others, your personal and financial information may be provided to such other account owners by virtue of your account(s) being linked.

If you have designated another individual to receive your communications from us pursuant to an Alternate Mail Instruction,

* The Client Agreement is applicable to all domestic Active Assets Accounts and Individual Retirement Accounts (Traditional/Rollover/Roth/Inherited/CESA/SEP/SARSEP and SIMPLE IRAs).

you agree that the instruction is applicable to all communications (except certain regulatory mandated communications) including but not limited to proxies, prospectuses, confirmations and statements of account. In consideration of MSSB accepting and acting upon that instruction, you agree that all such communications shall be deemed for all purposes to have been personally received by you on the date indicated in such communication. You further agree to indemnify and hold harmless MSSB, its officers, directors and employees from any and all liabilities arising from MSSB's compliance with these instructions and you hereby specifically waive any claims from your election not to promptly review transactions posted to your account.

Transactions entered into for your account(s) shall be confirmed in writing to you where required by applicable law or regulation. You agree that transactions on your statements and confirmations shall conclusively be deemed accurate, binding and authorized by you unless you notify us in writing, within three (3) days of receipt for confirmations and ten (10) days of receipt for statements. Even if you have verbally advised us of any inaccuracy or unauthorized activity, you must send written notice by letter or mail of the believed inaccuracy to the manager of the branch office servicing your account. Failure to so notify MSSB in writing will preclude you from asserting at a later date that such transaction was inaccurate or unauthorized.

You understand and agree that the property in your account(s) may be transferred to the appropriate state if we are unable to contact you by mail or email and no activity has occurred in the account within the time period specified by state law.

2. Electronic Delivery

If you request electronic delivery, you understand and agree that you are providing blanket authorization to discontinue hard-copy delivery of most documents relating to your MSSB account(s) and begin electronic delivery to the email address you provide. Documents include but are not limited to your account statements, trade confirmations (including those accompanied by a prospectus), performance reports, Corporate Action Credit Advices, account documentation (including your client agreements and amendments to such), and all documents that may be added to eDelivery in the future, including tax documents (e.g., Forms 1099) and general correspondence (collectively "eDelivery Documents"). When you enroll in eDelivery, you consent to the electronic delivery of all eDelivery Documents and further agree and understand that you will not receive and we are not obligated to provide paper copies of such eDelivery Documents.

Your agreement to eDelivery also includes electronic delivery of syndicate offerings materials, including preliminary prospectuses and other documents including pricing terms for equity initial public offerings ("IPOs"), secondary offerings, and follow-ons as well as new issue Structured Investments and new issue Fixed Income Securities ("Syndicate Offerings").

By selecting eDelivery, you are providing your informed and positive consent to receive eDelivery Documents electronically by accessing them on an MSSB or other third-party website selected by MSSB after being electronically notified by email that the eDelivery Documents are available for your review. After enrollment, you will receive enrolled eDelivery Documents in electronic form rather than by physical delivery.

You consent that when you select a document by type (e.g., trade confirmations) to be electronically delivered for all of your existing linked accounts, that document type will be electronically delivered for any accounts you may open in the future which are then linked to your existing accounts. If you do not select electronic delivery for a document type for all of your accounts, then that document type will not be automatically enrolled for electronic delivery for accounts you may open in the future.

You consent to be notified by email to the address you provide that an eDelivery Document is available on our secure website or a third-party website. The email address that you provide will be used to provide notifications of document availability to you for all selected accounts and document types for your Morgan Stanley Online username.

If at any time we are unable to deliver email notifications to your email address, you understand that:

- We will notify you by regular mail.
- Depending on the reason for the delivery failure, we may immediately suspend eDelivery for the accounts and documents enrolled under your username/email address, resulting in physical delivery of eDelivery documents until such time that you revalidate your email address. **Suspended accounts may not be able to participate in some Syndicate Offerings, which require electronic delivery of preliminary prospectuses.**

You understand that certain risks are associated with the transmission of confidential information, electronic delivery notifications, and other communications through the Internet including, but not limited to, unauthorized access, systems outages, delays, disruptions in telecommunications services and the Internet. Email is not private or secure. The electronic delivery notices sent to you by email are not encrypted. Although such electronic delivery notices are not intended to contain personally identifiable information, they may contain in their design part or all of your name or other identifier that could be seen or intercepted by others if delivered to your business email address or other computers or electronic devices not exclusively under your control. You understand and agree that you will not respond to the electronic delivery notice by return email, or use it to request information, service, paper copies or other items or to revoke consent. MSSB will not be responsible to act upon requests made in this manner.

Although electronic documents are provided without charge, you understand that other online subscription or access fees by internet service providers may apply. You must maintain the ability to access and open electronic documents. There are minimum computer hardware and software requirements necessary to receive and view your electronic documents, including, but not limited to, an internet connection and internet browsing software. You may request a paper copy of any document delivered through eDelivery but you may incur a charge for that copy. MSSB will maintain an electronically accessible archive of your eDelivery documents on our secure client website for seven (7) years after document publication. If you wish to retain eDelivery documents for a longer period of time, you are responsible for archiving beyond seven (7) years.

You agree that, notwithstanding a request for electronic delivery of eDelivery Documents, we may in our sole discretion send you copies of documents in hard copy form.

3. Transactions

We may require a deposit or a full payment before we accept an order from you. Without limiting the foregoing, you agree that if your account does not have sufficient Spending Power available to complete a transaction, you will promptly deposit the necessary funds to your account(s). You understand that "Spending Power" in your account refers to the TOTAL of:

- Your free credit balances; (uninvested cash)
- Your Designated Sweep Investment balance; and
- Your available margin credit.

MINUS:

- Any uncleared funds, funds reserved for Debit Card transactions, account fees and other debit amounts owed to MSSB; and
- Any cushion or minimum deposit amount imposed by or through MSSB for any reason.

In general, debits arising from securities transactions are satisfied from your account in the order set forth above. You understand that your Spending Power may fluctuate on a daily basis and is dependent on factors, including, but not limited to, the time required to collect checks deposited in your account, the market value of securities in your account, the timing and status of Debit Card and securities transactions, and the time required to confirm transactions and data between financial institutions. You further agree that MSSB may determine, and may adjust, your Spending Power in its sole discretion.

All transactions entered into under this Agreement shall be subject to any applicable constitution, rules, regulations, customs and usages of the exchange or market and its clearinghouse, if any, where such transactions are executed by MSSB or its agents and to all applicable laws, rules and regulations of governmental authorities and self-regulatory agencies. Such reference to the "constitution, rules, regulations, customs and usages of the exchange" shall in no way be construed to create a cause of action arising from any violation of such constitution, rules, regulations, customs and usages.

In the event of a dispute between parties with conflicting claims as to the ownership of your account, we may refuse to accept instructions for transactions in the account other than joint instructions and we may freeze the assets in the account to prevent withdrawals or distributions.

If you are mistakenly credited with specific or definite funds or securities, or we have not yet collected from your account a specific and definite fee that you have incurred, you will promptly remit such funds or securities upon discovery, or reasonable suspicion, of the error, or upon our request. If you fail to do so, you will be liable to us not only for the full amount of the overpayment or uncollected fee but also for any interest and expenses associated with its recovery. You understand and agree that these obligations are in effect notwithstanding any oral representations to the contrary made by any of our personnel.

You agree that if you do not fund your account within the first 90 days of account opening, we may, in our sole discretion, restrict or cancel debit card or check writing privileges or access to certain other account services that we may designate. When you instruct us to sell "long" securities, you must own the securities when you place the order. You also agree to make good delivery of the securities you are selling by settlement day. You agree that if you instruct us to sell a security that we designate as a "long" sale, and we are unable to deliver the security to the purchaser as a result of your failure to provide the security to us, you acknowledge that we are required by law to purchase (i.e., "buy-in") or borrow a security of like kind and quantity. You agree to be responsible for any loss which we may sustain through a buy-in or borrowing including any premiums, interest or other costs which we may be required to pay as a result of such buy-in or borrowing or the inability to make a buy-in or borrowing. You agree to designate a sell order as a "short sale" if, at the time you place the order, you either do not own the security being sold or are unable to deliver the security in a timely manner. You agree that short-sale transactions are subject to certain regulatory rules and cannot be executed under certain market conditions. In addition, depending on market conditions, we cannot guarantee that shares will be available to facilitate a short sale. You agree that MSSB may, at our discretion and without notice to you, buy-in securities to cover any short security position in your account. If you are unable to cover a short security position, either through delivery of the securities or through our buying in of the security in enough time so that we can deliver the security to the lender, you agree to reimburse us for any loss we may sustain as a result of your failure to deliver the security.

You understand that IRAs and CESAs are cash accounts, without margin privileges. You should ensure that there are sufficient funds in your IRA and/or CESA to complete a transaction.

4. Restrictions and Account Termination

You agree that we may in our sole discretion and without notice to you, to the extent permissible under applicable law and other governing documents applicable to your account, decline, cancel or reverse your orders or instructions, or place trading, disbursement and other restrictions on any of your accounts. We may hold assets in any of your accounts if it is necessary to comply with governmental requests or to protect either your or our interests. The provisions of this Agreement will continue to apply to accounts that have been closed.

You agree that we may also in our sole discretion and without notice to you, to the extent permissible under applicable law and other governing documents applicable to your account, terminate or otherwise restrict any or all services rendered under this Agreement at any time and for any reason. We may determine in our sole discretion to close any of your accounts or resign as custodian with respect to any IRA or CESA (to the degree applicable). You may at any time close any of your accounts by giving MSSB notice. When you instruct us to close your account, we may immediately cancel all open orders and terminate all services provided to your account, including, without limitation, your ability to write checks, use your Debit Card, or utilize other cash management privileges. You understand that we may at our option require you to return all Debit Cards and unused checks to us, or to destroy them. We may hold your funds or securities until you have returned all Debit Cards and unused checks to us, or you have notified us in writing that all Debit Cards and unused checks have been destroyed.

Upon the closing of your account (whether closed at your instruction or at our discretion), you shall bear the sole liability for any depreciation in the value of priced securities in the account due to market movement. Following closing of your account, you agree to instruct us with respect to the disposition of assets remaining in your account. If, after a reasonable period of time we have not received your instructions regarding the disposition of the assets remaining in your account, we may, but are not obligated to, liquidate the assets remaining in your account and mail a check to you at the last known address we have on record for you. You understand and agree that we may liquidate the assets remaining in your account regardless of current market conditions. The proceeds of any liquidated assets will not earn interest. These actions may cause you to recognize taxable income or to report losses for tax purposes. You acknowledge that you, and not MSSB, are responsible for any losses, fees, costs or charges you may incur as a result of liquidating the assets remaining in your account under such circumstances. Your account will be closed after all the assets remaining have been transferred from your account or liquidated and the proceeds paid to you. You understand and agree that until your account is closed, we will charge any applicable fees to your account.

You understand and agree that closing an account or terminating or restricting services will not affect your obligations incurred in connection with the account, including the obligation to pay for securities transactions, Debit Card transactions, checks or other charges. This Agreement will continue to govern matters relating to your account that arose before your account was closed or that may arise after the closing of your account.

If, after your account has been closed, we receive any dividends, interest or other payments with respect to assets previously held in your account, we will transfer such payments to you based on instructions you have provided us. If you have not provided us with instructions, we may liquidate any such securities and payments so received and mail a check to you at the last known address we have on record. You agree that we may charge any applicable fees resulting from our receipt of such dividends, interest or other payments.

In the event of your death, MSSB shall have no liability for following valid instructions previously received from you or received from your agent until MSSB has actual notice of your death. You agree that if this account is an individual account, upon notice of your death and prior to the appointment of an executor or administrator, we may, at our sole discretion, close out or sell any open positions held in your account or take any actions we deem necessary to protect MSSB or your estate.

MSSB serves as the IRS-approved non-bank custodian for your IRA(s) and/or CESAs. The applicable IRA and CESA custodial or plan documents governing these accounts specify the terms and conditions under which (a) MSSB may resign or be removed as custodian of your IRA and/or CESA and (b) the closing of any associated brokerage accounts established under this Agreement, and in the event of any difference between the applicable IRA and/or CESA plan documents and this Agreement, the IRA and/or CESA custodial or plan documents will govern. Your estate and beneficiaries shall bear the sole liability for any depreciation in the value of priced securities in the account due to market movement following notice of your death.

5. Sweep

You acknowledge and agree that, if your account is eligible, we are authorized without further direction from you to automatically deposit or "sweep" all the free credit balances in your account into one or more FDIC insured depository institutions ("Sweep Banks") affiliated with us as more particularly set forth in the Bank Deposit Program Disclosure Statement, which is available at www.morganstanley.com/wealth/accountoptions/activeassets/investmentfeatures and will be sent to you upon your first deposit in the Program, and by which you agree to be bound. You acknowledge and understand that we may amend the list of Sweep Banks at any time with or without notice to you. You may eliminate such banks from the Bank Deposit Program as permitted in the Bank Deposit Program Disclosure Statement.

You acknowledge (i) that you are responsible to monitor the total amount of deposits you have at each Sweep Bank in order to determine the extent of FDIC insurance coverage available to you, and (ii) that MSSB is not responsible for any insured or uninsured portion of your deposits at any of the Sweep Banks.

You understand and agree that, if you qualify, you may choose to sweep free credit balances into an affiliated or non-affiliated taxable or tax exempt money market fund (to the extent available) instead of a Sweep Bank account. If you so instruct us, we are authorized, without any further direction from you, to invest any eligible free credit balance in any of your accounts in the taxable or tax exempt money market fund you have chosen.

You acknowledge and agree that if you do not select a designated sweep investment and are otherwise eligible, the Bank Deposit Program will be your designated sweep investment by default. You further acknowledge and agree that the rate of return on the Bank Deposit Program may be higher or lower than the rate of return available on other available sweep investments. You agree that MSSB is not responsible to you if the Bank Deposit Program has a lower rate of return than the other available sweep investments or causes any tax consequences resulting from your investment in the Bank Deposit Program by default.

You understand that some, though not all, sweep investments may have a minimum initial investment and/or Statement Consolidation Plus Relationship value to activate the sweep. You agree that MSSB may impose its own minimum investment requirement to activate certain sweep investments. You agree that until such time as you meet the minimum initial investment, and/or Statement Consolidation Plus Relationship value, if applicable, your free credit balances will remain uninvested or will be invested in the default sweep investment. You further acknowledge that MSSB may at any time discontinue offering an available sweep investment and, upon notice to you, discontinue your designated sweep investment.

Without limiting the language set forth below, you hereby authorize MSSB to automatically liquidate any money market fund shares or withdraw any Bank Deposit Program balances available in your account(s) from time to time to cover any of your indebtedness or obligations to MSSB including non-trade related debts, such as but not limited to checks you have written. You acknowledge that MSSB is further authorized to liquidate any other property held in your account(s) to satisfy any such indebtedness or obligations whenever in MSSB's discretion MSSB considers it necessary for MSSB's protection and consistent with the requirements of applicable law. Liquidations shall be made consistent with the requirements of other account documents, including the IRA or CESA custodial agreements and plan documents. You agree that if you change your designated sweep investment, MSSB may sell your shares in, or withdraw your funds from, your current designated sweep investment and (as applicable) purchase shares or deposit funds in your new designated sweep investment. You understand that there may be a delay between the time you sell your shares or withdraw funds from your current designated sweep investment and the time you purchase shares or deposit funds in your new designated sweep investment and you may not earn interest or dividends during the time your funds are not invested.

6. Fees, Charges and Compensation Earned by MSSB

You agree to pay any account fees and other charges related to your account(s) with us, and authorize us to automatically debit such fees from your account. You agree to promptly pay any deficiency that might arise in your accounts. You also agree that we may apply and you will pay a finance charge on any debit balance in your cash account(s). You also authorize us to transfer excess funds between any of your accounts for any reason that does not conflict with applicable law. You understand and agree that we reserve the right to add or change account and service fees and charges at any time with prior written notice to you of the new fees.

You understand that MSSB may retain, as compensation for its provision of services, your account's proportionate share of any interest earned on uninvested cash balances held by MSSB or an affiliate.

As set forth in the Bank Deposit Program Disclosure Statement, you understand and agree that MSSB or its affi liates may earn additional compensation through the investment of your account(s) in the sweep vehicles noted above.

You understand and acknowledge that MSSB may effect trades on behalf of client accounts through exchanges, electronic communication networks, alternative trading systems and similar execution systems and trading venues (collectively, "Trading Systems"), including Trading Systems in which MSSB or its affiliates may have a direct or indirect ownership interest. In addition, you understand and agree that, subject at all times to its obligations to obtain best execution for its customers' orders, MSSB will route certain customer order flow to its affiliates. Furthermore, currently, MSSB and/or its affi liates own over 5% of the voting securities of certain Electronic Communication Networks ("ECNs") or Automated Trading Systems ("ATSs"), which are listed in the IRA or CESA Disclosure Statement applicable to your account. Other exchanges, ECNs or ATSs on which MSSB may execute trades for client accounts are also listed in the Disclosure Statement applicable to your account. The ECNs and ATSs on which MSSB trades for client accounts and in which MSSB and/or its affiliates own interests may change from time to time. You may contact your Financial Advisor or Private Wealth Advisor for an up-to-date list of ECNs and ATSs in which MSSB and/or its affiliates own interests. You further acknowledge that this Agreement shall constitute the requisite authorization and notice of MSSB's intent to trade through all such Trading Systems, pursuant to section 408(b)(16) of ERISA and/or section 4975(d)(19) of the Code, as may be applicable to IRAs, CESAs and other tax-deferred accounts.

To the extent separately charged (as opposed to being included in any Managed Account fee), you agree that brokerage charges will be assessed against your Account and will be provided to you through securities transaction confirms.

7. Costs and Debt You May Incur

As security for the payment of any amounts owed to us or our affiliates by you under this Agreement or otherwise, you grant to us a first priority continuing security interest in and lien on, and a right of setoff with respect to, all property that is, now or in the future, held, carried or maintained for any purpose in or through this or any other account with us that you maintain or have an interest in, whether owned individually, jointly or in the name of another person or entity. IRAs, CESAs, any qualified retirement or welfare benefit plan account or any other account holding assets of a "plan" as defined in Section 4975 of the Code (collectively, "IRAs, CESAs, or any other Retirement Accounts"), containing property are not subject to a security interest, lien or right of set off for debts owed us in your other accounts, but remain subject to legal remedies for debts and obligations owed in relation to the accounts themselves. You agree that we may elect, at any time, with or without notice, to make any debit balance or other obligation related to your account immediately due and payable. You further agree that we may at our discretion hold such property until your debts or obligations to us are fully satisfied, or we may apply such property and the proceeds of its liquidation toward the satisfaction of your debts and obligations. You understand that you will remain liable to MSSB for any deficiency. In enforcing our security interest, you agree that we have the discretion to determine which property is to be sold and the order in which it is to be sold. We also have all the rights and remedies available to us as a secured party under the New York Uniform Commercial Code. You agree that you will not cause or allow any of the collateral held in your account(s), whether now owned or hereafter acquired, to be or become subject to any liens, security interests, mortgages or encumbrances of any nature other than our security interest without our prior written consent.

As used in this Agreement, "property" includes, but is not limited to, investment property, securities accounts, commodities accounts, securities of all kinds, securities entitlements, money, savings deposits, certificates of deposit, bankers' acceptances, commercial paper, options, commodities and contracts for future delivery of commodities or relating to commodities, securities or securities entitlements, and the distributions, proceeds, products and accessions of any of the above, including proceeds of proceeds. All property held in a securities account shall be treated as a financial asset under Article 8 of the New York Uniform Commercial Code.

Whenever it is necessary for our protection to satisfy any amounts owed to us by you (including, without limitation, the filing by, on behalf of, or against you of a petition or other proceeding under any applicable bankruptcy or insolvency laws), we may—but are not required to—sell, assign and deliver all or any part of the securities and other property held in your account, or close any or all transactions in your account. You agree to be responsible for all costs and commissions related to such liquidations. In addition, you agree that we shall be entitled to apply any dividends, capital gains payments, interest payments or other incoming funds, such as funds that would otherwise be invested through the Dividend Reinvestment Program, to cover fees or other indebtedness to us.

8. Credit Verification and Reporting

MSSB at its sole discretion may inquire from any source, including your employer or a consumer reporting agency, as to your identity, creditworthiness (and your spouse's, if you live in a community property state) and ongoing eligibility for the Account(s) upon the opening thereof and any time thereafter.

You authorize us to obtain copies of your consumer and credit reports at our discretion, at any time, for reasons including, but not limited to, the following:

- To collect a debit balance in your account;
- To investigate, detect and prevent fraud involving you, or your account;
- To help us evaluate whether to grant, extend or modify the terms and conditions of any margin credit you have applied for or received; or
- If a deposit of funds or securities to your account is returned.

You authorize us to share this information with others in the normal course of business. You have the right to request the name and address of any consumer reporting agency that furnished reports to us. These rights and obligations also apply to your spouse if you live in a community property state.

You understand that we may report any past due amount to a consumer or securities credit reporting agency. We may also refer your account to a collection agency and you agree that you will be responsible for any costs, fees or other expenses we incur as a result of such referral.

9. Client Qualifications

By signing this Client Agreement, you represent that you are of the age of majority and are qualified to open account(s) with MSSB.

Unless you advise us in writing to the contrary, you also represent that neither you nor any member of your immediate family is an employee of any exchange, or of any corporation of which an exchange owns a majority of the capital stock, or a member of any exchange or of any corporation, firm or individual engaged in the business of dealing, either as a broker or as principal, in securities, bills of exchange, acceptances or other forms of commercial paper. You understand that you may be required, and agree if so requested by us, to provide us with a letter of approval from the employer if either you or an immediate family member is so employed.

You further represent that neither you nor any other person who has an ownership interest in or authority over this account knowingly owns, operates or is associated with a business that uses, at least in part, the Internet to receive or send information that could be used in placing, receiving, or otherwise knowingly transmitting a bet or wager.

10. Losses Due to Extraordinary Events

You agree that we are not liable for loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, interruptions of communications or data processing, war, terrorist acts, strikes, acts of God or other conditions beyond MSSB's control.

11. Cash Management Services (Note: Not all Cash Management Services May Be Available for IRAs and CESAs)

You understand and agree that if you intend to utilize a Debit Card, check writing privileges, Online Bill Payment or Electronic Funds Transfer ("EFT") privileges offered in connection with your account, to the degree permitted by your account type, we are authorized to debit your account immediately whenever a check, electronic or paper draft, Online Bill Payment or Debit Card Transaction is presented for payment on your behalf, when an EFT transaction is effected, or when any fee or charge is due (collectively "Payments"). You agree to maintain Spending Power (as defined in Section 3 herein), sufficient to pay for (i) checks written by you or any Authorized Check Signers, (ii) EFT transactions, Online Bill Payments and Debit Card Transactions made by you or any additional Debit Card holders or other individuals authorized by you to effect such transactions, (iii) any securities trades, and (iv) standard fees for interest on any margin loans and other transaction fees.

In general, debits arising from Debit Card transactions, check writing, Online Bill Payments, EFT transactions, as well as any other withdrawals and account fees are satisfied from your account in the order set forth in Section 3 herein. You understand that your Spending Power may fluctuate on a daily basis and is dependent on factors, including, but not limited to, the time required to collect checks deposited in your account, the market value of securities in your account, the timing and status of Debit Card and securities transactions, and the time required to confirm transactions and data between financial institutions. You further agree that MSSB may determine, and may adjust, your Spending Power in its sole discretion, and that the loan value of eligible securities for the purpose of margin is subject to regulatory and MSSB credit policies then in effect.

You understand and agree, however, that if there is insufficient Spending Power in your account to cover payments when they become due, we have no obligation to make such payments. You also understand and agree that we have no obligation to make partial payments. You agree that if your Spending Power at any time falls below zero, MSSB may suspend Debit Card privileges and terminate all Debit Cards issued on your account. If this occurs, you agree to immediately pay all amounts owed to us including any purchases on your Debit Card which will be immediately charged to your account.

You may authorize additional Debit Card holders on your account. You agree that if you designate an additional Debit Card holder, you are authorizing Debit Card Transactions by the person to whom the additional Debit Card is issued. You accept all liability with respect to the Debit Card Transactions effected by you and any additional Debit Card holders or others whom you permit to use the Debit Card, issued with respect to your account.

You acknowledge and agree that if there are multiple account owners, any one account owner may give us instructions regarding these services (including the check writing privilege, Debit Card Transactions, Online Bill Payments or EFT transactions), and all account co-owners authorize us to comply with any such instructions. You acknowledge that any multiple signature designation by you in or on any checks, resolution, signature card or other account documentation is solely for your convenience and for your own internal control purposes and is not binding on us or our processing bank and you agree that neither we nor our processing bank assumes any responsibility in that regard.

If we receive inconsistent instructions from any account co-owners relating to the check writing privilege, Debit Card Transactions, issuance of additional Debit Cards, Online Bill Payment or EFT transactions, or other transactions (including instructions regarding cancellation of service or stopping of payment), we may, at our option, honor any one of the instructions, or decline to honor any inconsistent instructions.

You acknowledge and agree that we reserve the right to decline any purchase or cancel your check writing, Debit Card, online bill payment and EFT privileges at any time for any reason with or without notice to you. If we so decide, you understand and agree that you are responsible for any pending debits, which will be processed and deducted immediately from your account.

Subject to any limitations imposed by applicable law, and except as otherwise set forth in this Agreement or in other disclosures provided to you, you agree that neither MSSB, nor any processing bank, nor the Debit Card issuer will be liable for any loss you incur in connection with your account, Debit Card Transactions, the check writing privilege, Online Bill Payments, EFT transactions, or other Active Assets Account feature unless we are negligent in fulfilling this Agreement. In no event will we, any processing bank, or the Debit Card issuer be liable for consequential, special or indirect damages or losses unless applicable law requires otherwise. You also agree that liability regarding online services is further limited by the applicable online services terms and conditions. To the extent you utilize online services you acknowledge that you are bound by those terms and conditions.

You shall protect your Debit Card, checks, each PIN, Telephone Authorization Code, and other account access security codes ("Security Codes") from access by anyone not authorized by you to use them. You will be liable for all Debit Card, check and online transactions conducted by anyone to whom you have given access or who has obtained access even if not authorized by you up to applicable legal limits. You understand that you are responsible for reviewing your account statement promptly to discover and report unauthorized activity, including use of your Debit Card and checks. You must notify MSSB immediately if you believe or have reason to believe that there has been unauthorized activity in your account or that your Debit Card or checks have been lost, stolen or may be used by an unauthorized person. We may require that you send written confirmation of the unauthorized activity (or any error) within ten days of oral notification to Morgan Stanley Debit Card Operations, 1 New York Plaza, 7th Floor, New York, NY 10004. Unless limited by law, or as otherwise set forth in this Agreement or in other disclosures provided to you, you will be responsible for losses that arise from your failure to (a) safeguard your Debit Card, checks and Security Codes and (b) review your monthly statement for possible unauthorized activity and to report any unauthorized activity to MSSB as provided herein. If your Debit Card (or any additional Card issued on your account) is cancelled, you must destroy, or if requested by us, return the Card. You will be responsible for any Debit Card Transactions that are processed because of your failure to destroy or return the Card following cancellation. You understand and agree that the use of Debit Cards is governed by the Debit Card company's and the bank's regulations as well as applicable federal and state laws.

You agree that any termination of your account will result in the cancellation of all Debit Cards issued, the check writing privilege, Online Bill Payment, EFT service and any direct deposit and direct payment processing. If your account is terminated, you will remain responsible for the payment of charges to your account, as well as all Debit Card Transactions and fees, any checks you write and any outstanding Online Bill Payments and EFT transactions, in each case whether arising before or after the termination of your account. If your account is terminated or the Debit Card and/or check writing privilege is cancelled, you agree to immediately cease using the cards and checks and you will promptly destroy, or if requested by us, return all unused checks and Debit Cards. You also agree to instruct all initiators of direct deposit, direct payment and Debit Card Transactions to immediately cease all activity.

A. BUSINESS DEBIT CARDS (NOT APPLICABLE TO IRAS AND/OR CESAS)

If you are a business owner who has opened an Active Assets Account and you requested Debit Cards to be issued to other individuals authorized by you, you understand and agree that such Debit Cards may only be used to purchase merchandise and services. You further understand and agree that your account will be debited directly for all Debit Card transactions made by you and your authorized individuals in the manner set forth in this Agreement or other agreement governing card usage, and that you are liable for all Debit Card transactions made by you and your authorized individuals.

You agree that you will maintain the security of all such Debit Cards issued, and will protect those Debit Cards, Personal Identification Numbers ("PINs") and other account access security codes from access by anyone not authorized by you to use them. You agree that MSSB and/or the issuing bank may, when necessary, answer or make inquiries about a cardholder's credit history. You understand that all Debit Card transactions will be reflected on your account statements and no separate bill will be sent by MSSB.

You agree that Debit Cards issued to you or your officers and agents are subject to the provisions of this Agreement concerning Debit Cards as well as any specific agreement which may relate to such Debit Card usage.

B. CHECK DEPOSITS AND CHECK WRITING

You understand and agree that when you deposit a domestic check for credit to your account, we will place a hold on it and delay crediting such funds to your Spending Power for up to 10 Business Days after the day the check is received. You agree that the hold time is at our discretion. You will receive interest or dividends on such funds even during the hold period. Interest or dividends will be forfeited, however, if your check is returned. You understand and agree that, during the hold period, checks may not be written under the check writing privilege against the funds on hold, nor may such funds be withdrawn. You also agree that, in our discretion, funds represented by the check may be unavailable for settling of securities transactions during the hold period. You acknowledge that we are not obligated to accept cash deposits and may reject any such deposits presented by you.

Your account includes check writing privileges that provide you with access to the Spending Power available in your account. You agree that we may provide check writing privileges through third parties that we may designate in our discretion, and that such check writing privileges will be subject to those third parties' rules and applicable state and federal laws.

You understand that canceled checks are not returned, but that your account statement will include information about each check submitted for payment. You agree to review your account statement closely and alert us promptly regarding errors.

You understand and agree that we may, at our discretion, permit you to allow an Authorized Check Signer to have check writing privileges on your account. If an Authorized Check Signer is permitted, you are responsible for all checks written by such Authorized Check Signer.

You agree that order requests for checks bearing more than one signature line will only be fulfilled by MSSB for accounts for entities meeting certain eligibility requirements. You understand that our processing bank processes most checks by automated means based on information encoded on the checks, and that neither MSSB nor our processing bank may physically examine all checks to determine if they are properly signed or completed. You agree that MSSB and our processing bank may rely on such a process and that it will be deemed an acceptable standard of care on the part of MSSB and our processing bank's part.

You agree that if you request that a payment be stopped on any check, we cannot guarantee that payment on any such check will in fact be stopped. You understand that, if you request that payment on a check be stopped, such stop payment is effective only for six months and that, after that six-month period, you must renew your order to stop payment. You agree that after any order to stop payment ceases to be effective, we may process the check for which payment previously was ordered stopped. You further agree that we will not be liable in any way if your order to stop payment cannot be executed or otherwise completed.

You also agree that we may charge a fee for any request to stop payment on a check as well as other fees associated with the check writing privilege, such as check reorders, copies of cancelled checks, or checks returned for insufficient funds. You may request a schedule of fees by contacting your Financial Advisor or Private Wealth Advisor.

You understand that you may order additional checks through our vendor or a vendor of your choice. You agree that all checks must conform to MSSB check specifications, and that we will not be responsible for check processing errors as a result of your use of improper checks that do not conform to MSSB's check specifications. You also agree that we have no obligation to pay for replacement checks. You also agree to write checks only in U.S. dollar amounts and you understand and agree that checks written in other currencies may be returned and subject to applicable fees.

You understand and agree that we may prohibit your use of checks at our sole discretion, including, without limitation, prohibiting you from using checks to directly or indirectly purchase securities. You also agree that we reserve the right to delay crediting any other MSSB securities account with the amount of your check deposited until your check has been satisfied from the Spending Power in your account.

C. ELECTRONIC FUND TRANSFERS

Your account may be eligible for a variety of Electronic Fund Transfers ("EFTs") that are subject to separate service agreements. These services may include our Online Bill Payment Service or our Funds Transfer Service ("FTS"). In each case, you must agree to the separate terms and conditions governing the particular service you use to initiate EFTs. In addition, you agree that your use of EFTs to receive or transfer funds to or from your account is subject to the separate EFT disclosures included in the disclosures provided to you in the Welcome Book or otherwise available online.

12. Margin Agreement (Not Applicable to IRAs and CESAs)

By opening this account, you agree that you are automatically requesting margin privileges unless you advise us to the contrary. If you are not a U.S. Person, margin privileges will not be available to you if you are a resident in a jurisdiction that we determine is an ineligible jurisdiction.

If you determine to utilize margin, you acknowledge and understand that borrowing by using securities as collateral involves a high degree of risk. You acknowledge that you have carefully considered all of the factors relating to margin borrowing and have decided that margin borrowing is suitable for you.

We reserve the right to decline, restrict or terminate margin privileges at our sole discretion. Further, you agree to promptly notify us of any material change in your financial circumstances requiring the reorganization of your liabilities or the liquidation of your assets, including, without limitation, the filing by, against or on behalf of you of a petition or other proceeding under any applicable bankruptcy or insolvency laws.

MSSB may borrow money to lend to you or other margin clients and pledge your securities as collateral for such loans. You authorize MSSB to lend any security in the margin credit portion of your account, together with all attendant rights of ownership, either separately or together with the assets of other margin clients, to us or to others without notice to you. In connection with such loans, and securities loans made to you to facilitate short sales, you authorize MSSB to receive and retain certain benefits, including interest on your collateral posted for such loans, to which you may not be entitled. In addition, you authorize MSSB to receive compensation in connection with such loans. You acknowledge that in some circumstances, such loans may limit your ability to exercise voting rights of the securities lent, either in whole or in part.

You agree that we are hereby authorized, without notice to you, to take the following actions with respect to any collateral in any of your accounts, (i) to hold and re-register such collateral in our name or in any name other than yours, (ii) to pledge, repledge, hypothecate, rehypothecate, sell, assign, lend, commingle or otherwise transfer or use in our business such collateral, separately from or together with all attendant rights of ownership (including the right to vote any securities or other financial assets or receive dividends) and (iii) to use or invest cash collateral at our own risk. You agree that we may exercise these rights without notice to you, in connection with transactions involving amounts that may be greater than your loans and for any time period. You agree that our use of the collateral shall be free from any claim or right of any nature whatsoever of yours, including any equity or redemption right you may have. For the purpose of the return of any collateral to you, our return obligations shall be satisfied by delivering securities or other financial assets of the same issuer, class and quantity as the collateral initially transferred (subject to adjustment(s) for corporate changes such as stock splits, reverse splits and stock dividends), or by liquidating collateral and applying the proceeds to repayment of your loans. You agree that we will, on the date that any interest, dividends or other distributions are paid by any issuer in respect of the collateral, transfer or credit to your account "in lieu" payments in an amount equal to, and in the same currency as, the amount paid by the issuer. You acknowledge that tax treatment of issuer and substitute or "in lieu" payments may differ, and specifically, that the reduced tax rate applicable under U.S. law to certain dividends received by individuals does not apply to substitute or "in lieu" dividends payments from us.

You agree to pay ON DEMAND any balance owing with respect to any of your accounts, including interest and commissions and any costs of collection (including attorneys' fees, if incurred by us). You understand that we may demand full payment of the balance due in your account plus any interest charges accrued thereon, at our sole option, at any time without cause, and whether or not such demand is made for our protection. You understand that all loans made are not for any specific term or duration but are due and payable at our discretion upon a demand for payment made to you. You agree that all payments received for your account(s) including interest, dividends, premiums, principal or other payments may be applied by us to any balances due in your account(s). If you maintain both a cash and a margin account with us, you acknowledge and agree that we are authorized in our discretion to utilize the equity in either type of account in satisfaction of any maintenance margin requirement without the actual transference of funds or securities between such accounts. You agree that in connection with any requested advance, MSSB may use security procedures to verify that you are requesting the payment order and that these security procedures are commercially reasonable.

You agree that whenever we deem it necessary or appropriate for our protection in connection with any loan balance, we are authorized, in our sole discretion and consistent with the requirements of applicable law, to:

- Require additional collateral or equity from you;
- Sell, assign, transfer and deliver any or all securities, commodities or other property in any of your accounts *(other than IRAs, CESAs or any other Retirement Accounts)* in any manner we deem appropriate;
- Buy in (or "cover") or borrow any securities, commodities or other property of which your account may be short or with respect to which there is a failure in delivery;
- Cancel any outstanding trade orders or other commitments made on your behalf; and
- Terminate all margin privileges granted to your account.

Without limiting the generality of the foregoing, such sale, purchase or cancellation may be made, in our sole discretion, on the exchange or other market where such business is then usually transacted, at public auction or at private sale without advertising the same. All of the above may be done without demand for margin or notice of purchase, sale or cancellation to you. No demand for margin, or notice given to you of intent to purchase or sell property or to cancel orders in your account, shall impose on us any obligation to make such demand or provide such notice to you. Any such notice or demand is hereby expressly waived, and no specific demand or notice shall invalidate this waiver. After deducting all costs and expenses of the purchase and/or sale and deliveries, including, but not limited to, commissions and transfer and stamp taxes, we will apply the residue of the proceeds to the payment of any and all of your liabilities to us, and you shall remain liable for any deficiency. Upon any such sale, we may purchase the whole or any part thereof free from any right of redemption. In the event of your death or incompetency, the authority given by this section shall continue to be effective and shall be binding upon your personal representatives and heirs.

You agree that at all times you will maintain such margin equity in your account maintained by MSSB, as MSSB may require from time to time and that you will deposit such additional collateral or equity as we may require. You understand and agree that interest will be charged on your margin balance and that your interest rate will be based either on MSSB's standard pricing grid (the "MSSB Standard Grid") set forth in the statement of Credit Terms that has been provided to you (MSSB's Standard Grid may be amended from time to time upon 30 days written notice to you), or, if you qualify, based on a Preferred Interest Rate. You further agree that any Preferred Interest Rate applicable to your margin balance will expire at the end of the term indicated to you when the Preferred Interest Rate becomes effective and at the end of the term, interest will be based on the MSSB Standard Grid pricing. You understand and agree that MSSB may increase your Preferred Interest Rate (i) at any time prior to its stated expiration, upon not less than 30 days prior written notice to you, or (ii) at any time after the stated expiration of your Preferred Interest Rate, without prior written notice to you.

You acknowledge and agree that interest charges, if not paid, will be added to the debit balance in your account for the next interest period. You agree that we may impose for your account(s), margin requirements more stringent than required by law or exchange regulations. You further understand and agree that such margin requirements may be changed and modified by us from time to time without prior notice to you. You further agree that any waiver by us or failure to promptly enforce, as to your account or that of others, such margin requirements shall not in any way prevent us from subsequently enforcing said margin requirements with regard to your account.

MEXICAN AND PERUVIAN HOLDING COMPANIES

If you are a Personal Holding Company with owners domiciled in Mexico or Peru, you agree that you will not place, invest or economically use any proceeds of your margin credit in Mexico or Peru, as applicable.

13. Non-Purpose Loans (Not Applicable to IRAs or CESAs)

At your request, we may at our discretion, make loans to you for a purpose other than purchasing, carrying or trading in securities ("Non-Purpose Loans"). Non-Purpose Loans will be made in a good-faith account established for such purpose. The minimum and maximum amount of any particular loan may be established by us in our discretion regardless of the amount of collateral delivered to us and we may change such minimum and maximum amounts from time to time.

You agree not to use the proceeds of any Non-Purpose Loan to purchase, carry or trade in securities. You also agree not to use Non-Purpose Loan proceeds directly or indirectly to repay other debt that you incur for the purpose of purchasing, carrying or trading in securities.

14. Multiple Party Accounts

You agree that if this is a multiple party account, each account owner agrees to be jointly and severally liable for said account and to pay on demand any debit balance or losses at any time due in this account. Any account owner has full power and authority to make purchases and sales, including short sales, to withdraw monies and securities, or to do anything else with reference to the account, either individually or in your joint names. MSSB and its successors are authorized and directed to act upon instructions received from any of you and to accept payment and securities from any of you for the credit of your account. Notwithstanding the ability of each of you to control the account individually, you understand and agree that we may, at our sole option, require written instructions signed by all account owners when transactions, payments or transfers are requested. If we receive inconsistent instructions from any account owners regarding anything relating to the account, including but not limited to making purchases and sales (including short sales), withdrawing monies and securities, you understand and agree that we may, at our sole discretion, honor any one of the instructions or decline to honor any inconsistent instructions. Any and all notices, communications, or any demands for margin sent to any of you shall be binding upon all account owners. You hereby declare this account to be a joint tenancy with rights of survivorship unless you instruct us to establish another form of multiple ownership.

Each account owner agrees to hold MSSB harmless from and indemnify MSSB against any losses, causes of action, damages and expenses arising from or as the result of MSSB following the instructions, or declining to follow the inconsistent instructions, of any account owner. MSSB, in its sole discretion, may at any time suspend all activity in the multiple party account pending instructions from a court of competent jurisdiction or require that instructions pertaining to the multiple party account or the property therein be in writing signed by all account owners. MSSB shall be entitled to recover from your account or from any account owner prior to distribution of the funds or property therein such costs as it may incur, including reasonable attorneys' fees, as the result of any dispute between or among the account owners or their representatives or heirs, relating to or arising from your account.

Each account owner agrees that, in the event of the death of any account owner, the survivor or survivors shall immediately give us written notice thereof, and we may, before or after receiving such notice, take such actions, require such papers, inheritance or estate tax waivers, retain such portion of the account and restrict transactions in the account as we may deem advisable to protect us against any tax, liability, penalty or loss under any present or future laws or otherwise. The estate of either or any account owner who shall have died shall be liable and each survivor shall continue to be liable, jointly and severally, to us for any net debit balance or loss in said account in any way resulting from the completion of transactions initiated prior to the receipt by us of written notice of the death of the decedent, or incurred in the liquidation of the account or the adjustment of the interests of the respective parties.

Each account owner agrees that if this account contains rights of survivorship, in the event of the death of either or any account owner, all assets in the account shall pass to and be vested in the survivor or survivors on the same terms and conditions as previously held, without in any manner releasing the decedent's estate from the liabilities provided for herein. The estate of the decedent(s) and the survivors hereby jointly and severally agree to fully indemnify and hold harmless MSSB from all liability for any taxes which may be owed in connection therewith or any claims by third parties.

15. Arbitration

This Agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- **All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.**
- **Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**
- **The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.**

- **The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.**
- **The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.**
- **The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.**
- **The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.**

You agree that all claims or controversies, whether such claims or controversies arose prior, on or subsequent to the date hereof, between you and MSSB and/or any of its present or former officers, directors, or employees concerning or arising from (i) any account maintained by you with MSSB individually or jointly with others in any capacity; (ii) any transaction involving MSSB or any predecessor or successor firms by merger, acquisition or other business combination and you, whether or not such transaction occurred in such account or accounts; or (iii) the construction, performance or breach of this or any other agreement between you and us, any duty arising from the business of MSSB or otherwise, shall be determined by arbitration before, and only before, any self-regulatory organization or exchange of which MSSB is a member. You may elect which of these arbitration forums shall hear the matter by sending a registered letter or other written communication addressed to Morgan Stanley at 485 Lexington Avenue, 11th Floor, New York, NY 10017, Attn: Legal and Compliance Division. If you fail to make such election before the expiration of five (5) days after receipt of a written request from MSSB to make such election, MSSB shall have the right to choose the forum.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; (ii) the class is decertified; or (iii) the person is excluded from the class by the court.

Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

The statute of limitations applicable to any claim, whether brought in arbitration or in a court of competent jurisdiction shall be that which would be applied by the courts in the state in which you reside or if you do not reside in the United States, the statute of limitations shall be that which would be applied by the courts in the state where the MSSB office servicing your account is located.

16. Accuracy of Account Information/Updates to Account Information

You agree to provide MSSB with your personal and financial information (including information about your other investments and financial holdings), as well as your investment experience, investment time horizon, liquidity needs, investment objectives and risk tolerance. You agree to promptly notify MSSB of any material changes to those categories of information. You acknowledge and understand that MSSB will rely on the accuracy of the information you provide. You also acknowledge and understand that MSSB will rely on your agreement to promptly notify it of any material changes to the information you have provided.

You agree to provide full and complete copies to us prior to opening your account of any court order or other document that defines or restricts the asset allocation or types of investments that can be made in the account. You agree to defend, indemnify and hold us harmless from any threatened or actual claim made by a third party alleging that activity in the account was inconsistent or in violation of a court order or other pre-existing written restriction on the account.

Morgan Stanley

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