

**Form 603**  
Corporations Act 2001  
Section 671B

**Notice of initial substantial holder**

To Company Name/Scheme LYNAS CORPORATION LIMITED

ACN/ARSN 009 066 648

**1. Details of substantial holder (1)**

Name Morgan Stanley & Co. International plc  
ACN/ARSN (if applicable) Not Applicable

The holder became a substantial holder on July 14, 2010

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	84,250,912	84,250,912	5.09%
			<b>Based on 1,655,499,093 shares outstanding</b>

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Morgan Stanley & Co. International plc	Shares held or in respect of which the holder may exercise control over disposal in the ordinary course of sales and trading and stock borrowing businesses.	33,642,452 Ordinary Shares
Morgan Stanley Co. Incorporated	Shares held or in respect of which the holder may exercise control over disposal in the ordinary course of stock borrowing businesses.	840,791 Ordinary Shares
Morgan Stanley Investment Management Limited	Shares held or in respect of which the holder may exercise control over disposal in the ordinary course of investment management business.	335,239 Ordinary Shares
Morgan Stanley Australia Securities Limited	Shares held or in respect of which the holder may exercise control over disposal in the ordinary course of sales and trading businesses.	19,626,802 Ordinary Shares
Morgan Stanley Smith Barney LLC	Shares held or in respect of which the holder may exercise control over disposal in the ordinary course of sales and trading.	164,750 Ordinary Shares
Morgan Stanley Investment Advisors Inc.	Shares held or in respect of which the holder may exercise control over disposal in the ordinary course of investment management business.	510,668 Ordinary Shares
Morgan Stanley Investment Management Inc.	Shares held or in respect of which the holder may exercise control over disposal in the ordinary course of investment management business.	29,130,210 Ordinary Shares

#### 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Morgan Stanley & Co. International plc	HSBC Custody Nominees (Australia) Limited	Not Applicable	33,642,452 Ordinary Shares
Morgan Stanley Co. Incorporated	HSBC Custody Nominees (Australia) Limited	Not Applicable	840,791 Ordinary Shares
Morgan Stanley Investment Management Limited	HSBC Custody Nominees (Australia) Limited	Not Applicable	335,239 Ordinary Shares
Morgan Stanley Australia Securities Limited	Morgan Stanley Australia Securities (Nominee) Pty Limited	Not Applicable	19,626,802 Ordinary Shares
Morgan Stanley Investment Management Inc.	HSBC Custody Nominees (Australia) Limited	Not Applicable	6,713,061 Ordinary Shares
Morgan Stanley Investment Management Inc.	JP Morgan Chase Bank, N.A., Sydney	Not Applicable	18,989,428 Ordinary Shares
Morgan Stanley Investment Management Inc.	DBS Nominees (Private) Limited	Not Applicable	3,427,721 Ordinary Shares
Morgan Stanley Investment Advisors Inc.	HSBC Custody Nominees (Australia) Limited	Not Applicable	510,668 Ordinary Shares
Morgan Stanley Smith Barney LLC	Citi Global Market Inc.	Not Applicable	164,750 Ordinary Shares

#### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration		Class and number of securities affected
		Cash	Non-Cash	
Morgan Stanley & Co. International plc	March 15, 2010	0.5250	Buy	2602 Ordinary Shares
Morgan Stanley Australia Securities Limited	March 15, 2010	0.5250	Buy	4871 Ordinary Shares
Morgan Stanley & Co. Incorporated	March 15, 2010	N.A	Collateral received	31550 Ordinary Shares
Morgan Stanley Australia Securities Limited	March 16, 2010	0.5050	Buy	12767 Ordinary Shares
Morgan Stanley & Co. Incorporated	March 16, 2010	N.A	Collateral received	184860 Ordinary Shares
Morgan Stanley & Co. International plc	March 17, 2010	0.5047	Buy	39894 Ordinary Shares
Morgan Stanley Australia Securities Limited	March 17, 2010	0.5056	Buy	82470 Ordinary Shares
Morgan Stanley & Co. Incorporated	March 17, 2010	N.A	Collateral received	17840 Ordinary Shares
Morgan Stanley & Co. International plc	March 18, 2010	0.5024	Buy	355288 Ordinary Shares
Morgan Stanley Australia Securities Limited	March 18, 2010	0.5050	Buy	25080 Ordinary Shares

Morgan Stanley & Co. Incorporated	March 18, 2010	N.A	Collateral received	8750 Ordinary Shares
Morgan Stanley Australia Securities Limited	March 19, 2010	0.5100	Buy	1182 Ordinary Shares
Morgan Stanley & Co. International plc	March 19, 2010	N.A	Borrow	41501 Ordinary Shares
Morgan Stanley & Co. International plc	March 22, 2010	0.4950	Buy	34574 Ordinary Shares
Morgan Stanley & Co. International plc	March 23, 2010	0.5050	Buy	106152 Ordinary Shares
Morgan Stanley & Co. Incorporated	March 24, 2010	N.A	Collateral received	21580 Ordinary Shares
Morgan Stanley & Co. International plc	March 25, 2010	0.4900	Buy	77574 Ordinary Shares
Morgan Stanley & Co. Incorporated	March 25, 2010	N.A	Collateral received	7390 Ordinary Shares
Morgan Stanley & Co. International plc	March 26, 2010	0.4900	Buy	60504 Ordinary Shares
Morgan Stanley & Co. International plc	March 29, 2010	0.4950	Buy	63097 Ordinary Shares
Morgan Stanley Australia Securities Limited	March 29, 2010	0.4950	Buy	59247 Ordinary Shares
Morgan Stanley Australia Securities Limited	March 30, 2010	0.4950	Buy	25187 Ordinary Shares
Morgan Stanley & Co. International plc	March 31, 2010	0.4850	Buy	71741 Ordinary Shares
Morgan Stanley Australia Securities Limited	March 31, 2010	0.4947	Buy	63402 Ordinary Shares
Morgan Stanley & Co. International plc	March 31, 2010	N.A	Borrow	30004 Ordinary Shares
Morgan Stanley & Co. International plc	April 1, 2010	0.4950	Buy	104604 Ordinary Shares
Morgan Stanley Australia Securities Limited	April 1, 2010	0.4885	Buy	49909 Ordinary Shares
Morgan Stanley Australia Securities Limited	April 6, 2010	0.5002	Buy	36750 Ordinary Shares
Morgan Stanley & Co. International plc	April 7, 2010	0.5400	Buy	69148 Ordinary Shares
Morgan Stanley Australia Securities Limited	April 7, 2010	0.5413	Buy	48834 Ordinary Shares
Morgan Stanley & Co. International plc	April 8, 2010	0.5400	Buy	34574 Ordinary Shares
Morgan Stanley Australia Securities Limited	April 12, 2010	0.5500	Buy	17128 Ordinary Shares
Morgan Stanley & Co. International plc	April 14, 2010	0.5400	Buy	34536 Ordinary Shares
Morgan Stanley & Co. International plc	April 14, 2010	N.A	Borrow	217790 Ordinary Shares
Morgan Stanley & Co. International plc	April 15, 2010	0.5400	Buy	34536 Ordinary Shares

Morgan Stanley & Co. International plc	April 16, 2010	0.5400	Buy	3100 Ordinary Shares
Morgan Stanley & Co. Incorporated	April 16, 2010	N.A	Borrow	240213 Ordinary Shares
Morgan Stanley & Co. International plc	April 19, 2010	0.5100	Buy	39711 Ordinary Shares
Morgan Stanley Australia Securities Limited	April 20, 2010	0.5308	Buy	3233000 Ordinary Shares
Morgan Stanley & Co. Incorporated	April 20, 2010	N.A	Borrow	132382 Ordinary Shares
Morgan Stanley & Co. International plc	April 21, 2010	0.5411	Buy	113419 Ordinary Shares
Morgan Stanley & Co. Incorporated	April 21, 2010	N.A	Borrow	100259 Ordinary Shares
Morgan Stanley & Co. Incorporated	April 21, 2010	N.A	Collateral received	256070 Ordinary Shares
Morgan Stanley & Co. Incorporated	April 22, 2010	N.A	Borrow	55143 Ordinary Shares
Morgan Stanley & Co. International plc	April 23, 2010	0.5500	Buy	69052 Ordinary Shares
Morgan Stanley & Co. International plc	April 27, 2010	0.5600	Buy	145011 Ordinary Shares
Morgan Stanley & Co. International plc	April 28, 2010	0.5600	Buy	302106 Ordinary Shares
Morgan Stanley Australia Securities Limited	April 28, 2010	0.5482	Buy	3123801 Ordinary Shares
Morgan Stanley & Co. International plc	April 29, 2010	0.5450	Buy	34526 Ordinary Shares
Morgan Stanley Australia Securities Limited	April 29, 2010	0.5454	Buy	3016199 Ordinary Shares
Morgan Stanley & Co. International plc	April 30, 2010	0.5434	Buy	212267 Ordinary Shares
Morgan Stanley Australia Securities Limited	April 30, 2010	0.5450	Buy	11301 Ordinary Shares
Morgan Stanley & Co. International plc	May 3, 2010	0.5203	Buy	37115 Ordinary Shares
Morgan Stanley & Co. International plc	May 5, 2010	0.4786	Buy	37115 Ordinary Shares
Morgan Stanley Australia Securities Limited	May 5, 2010	0.4575	Buy	134540 Ordinary Shares
Morgan Stanley & Co. International plc	May 6, 2010	0.4951	Buy	187343 Ordinary Shares
Morgan Stanley Australia Securities Limited	May 6, 2010	0.4832	Buy	48155 Ordinary Shares
Morgan Stanley & Co. Incorporated	May 6, 2010	N.A	Borrow	80787 Ordinary Shares
Morgan Stanley & Co. International plc	May 7, 2010	0.4972	Buy	139832 Ordinary Shares
Morgan Stanley & Co. International plc	May 10, 2010	0.5150	Buy	103578 Ordinary Shares

Morgan Stanley & Co. International plc	May 11, 2010	0.5058	Buy	900551 Ordinary Shares
Morgan Stanley & Co. International plc	May 13, 2010	0.5281	Buy	195069 Ordinary Shares
Morgan Stanley & Co. International plc	May 17, 2010	0.5100	Buy	56932 Ordinary Shares
Morgan Stanley Australia Securities Limited	May 17, 2010	0.5094	Buy	2009687 Ordinary Shares
Morgan Stanley & Co. International plc	May 18, 2010	0.4916	Buy	79361 Ordinary Shares
Morgan Stanley Australia Securities Limited	May 18, 2010	0.4994	Buy	9694416 Ordinary Shares
Morgan Stanley & Co. International plc	May 19, 2010	0.4800	Buy	15515 Ordinary Shares
Morgan Stanley Australia Securities Limited	May 19, 2010	0.4835	Buy	11367923 Ordinary Shares
Morgan Stanley & Co. International plc	May 20, 2010	0.4959	Buy	98019 Ordinary Shares
Morgan Stanley Australia Securities Limited	May 20, 2010	0.4963	Buy	5919664 Ordinary Shares
Morgan Stanley & Co. International plc	May 21, 2010	0.4658	Buy	47340 Ordinary Shares
Morgan Stanley Australia Securities Limited	May 21, 2010	0.4600	Buy	3453 Ordinary Shares
Morgan Stanley & Co. Incorporated	May 21, 2010	N.A	Collateral received	1697560 Ordinary Shares
Morgan Stanley & Co. International plc	May 24, 2010	0.5060	Buy	12971 Ordinary Shares
Morgan Stanley Australia Securities Limited	May 24, 2010	0.5049	Buy	13624 Ordinary Shares
Morgan Stanley & Co. International plc	May 25, 2010	0.5000	Buy	34500 Ordinary Shares
Morgan Stanley Australia Securities Limited	May 25, 2010	0.4950	Buy	26254 Ordinary Shares
Morgan Stanley & Co. International plc	May 27, 2010	0.5041	Buy	194698 Ordinary Shares
Morgan Stanley & Co. International plc	May 28, 2010	0.5128	Buy	458648 Ordinary Shares
Morgan Stanley Australia Securities Limited	May 28, 2010	0.5075	Buy	39346 Ordinary Shares
Morgan Stanley & Co. International plc	May 31, 2010	0.5101	Buy	354343 Ordinary Shares
Morgan Stanley Australia Securities Limited	May 31, 2010	0.5100	Buy	4570 Ordinary Shares
Morgan Stanley & Co. International plc	June 1, 2010	0.5063	Buy	171322 Ordinary Shares
Morgan Stanley Australia Securities Limited	June 1, 2010	0.5000	Buy	19703 Ordinary Shares
Morgan Stanley & Co. International plc	June 2, 2010	0.4975	Buy	438833 Ordinary Shares

Morgan Stanley & Co. International plc	June 3, 2010	0.5050	Buy	13032 Ordinary Shares
Morgan Stanley Australia Securities Limited	June 3, 2010	0.5050	Buy	25519 Ordinary Shares
Morgan Stanley & Co. Incorporated	June 3, 2010	N.A	Collateral received	363760 Ordinary Shares
Morgan Stanley & Co. International plc	June 4, 2010	0.5000	Buy	5175 Ordinary Shares
Morgan Stanley Australia Securities Limited	June 4, 2010	0.5000	Buy	37154 Ordinary Shares
Morgan Stanley & Co. International plc	June 7, 2010	0.4700	Buy	378586 Ordinary Shares
Morgan Stanley Australia Securities Limited	June 7, 2010	0.4713	Buy	50173 Ordinary Shares
Morgan Stanley & Co. International plc	June 8, 2010	0.4800	Buy	34500 Ordinary Shares
Morgan Stanley Investment Management Inc.	June 8, 2010	0.4793	Buy	5898569 Ordinary Shares
Morgan Stanley Investment Advisors Inc.	June 8, 2010	0.4793	Buy	106663 Ordinary Shares
Morgan Stanley & Co. International plc	June 9, 2010	0.4950	Buy	103500 Ordinary Shares
Morgan Stanley Investment Management Inc.	June 9, 2010	0.4939	Buy	1836785 Ordinary Shares
Morgan Stanley Investment Advisors Inc.	June 9, 2010	0.4939	Buy	33215 Ordinary Shares
Morgan Stanley & Co. International plc	June 10, 2010	0.5050	Buy	39676 Ordinary Shares
Morgan Stanley Investment Management Inc.	June 10, 2010	0.5007	Buy	685188 Ordinary Shares
Morgan Stanley Investment Advisors Inc.	June 10, 2010	0.5007	Buy	12390 Ordinary Shares
Morgan Stanley & Co. International plc	June 15, 2010	0.5100	Buy	306298 Ordinary Shares
Morgan Stanley Australia Securities Limited	June 15, 2010	0.5121	Buy	70429 Ordinary Shares
Morgan Stanley & Co. International plc	June 16, 2010	0.5288	Buy	20700 Ordinary Shares
Morgan Stanley Australia Securities Limited	June 16, 2010	0.5277	Buy	123487 Ordinary Shares
Morgan Stanley & Co. International plc	June 17, 2010	0.5411	Buy	46058 Ordinary Shares
Morgan Stanley Australia Securities Limited	June 17, 2010	0.5428	Buy	3068000 Ordinary Shares
Morgan Stanley & Co. International plc	June 18, 2010	0.5698	Buy	1377859 Ordinary Shares
Morgan Stanley Australia Securities Limited	June 18, 2010	0.5533	Buy	763922 Ordinary Shares
Morgan Stanley & Co. International plc	June 21, 2010	0.5729	Buy	106788 Ordinary Shares

Morgan Stanley Australia Securities Limited	June 21, 2010	0.5643	Buy	176391 Ordinary Shares
Morgan Stanley Australia Securities Limited	June 22, 2010	0.5599	Buy	3046789 Ordinary Shares
Morgan Stanley & Co. Incorporated	June 22, 2010	N.A	Borrow	60000 Ordinary Shares
Morgan Stanley Australia Securities Limited	June 23, 2010	0.5488	Buy	1415748 Ordinary Shares
Morgan Stanley & Co. International plc	June 24, 2010	0.5500	Buy	42199 Ordinary Shares
Morgan Stanley Australia Securities Limited	June 24, 2010	0.5518	Buy	47257 Ordinary Shares
Morgan Stanley Australia Securities Limited	June 25, 2010	0.5909	Buy	18460 Ordinary Shares
Morgan Stanley & Co. International plc	June 28, 2010	0.5850	Buy	34446 Ordinary Shares
Morgan Stanley Australia Securities Limited	June 28, 2010	0.5896	Buy	390 Ordinary Shares
Morgan Stanley & Co. International plc	June 29, 2010	0.5873	Buy	119739 Ordinary Shares
Morgan Stanley Australia Securities Limited	June 30, 2010	0.5450	Buy	12266 Ordinary Shares
Morgan Stanley & Co. Incorporated	June 30, 2010	N.A	Collateral received	245010 Ordinary Shares
Morgan Stanley Australia Securities Limited	July 1, 2010	0.5450	Buy	37145 Ordinary Shares
Morgan Stanley & Co. International plc	July 5, 2010	N.A	Borrow	1745 Ordinary Shares
Morgan Stanley & Co. International plc	July 7, 2010	0.5504	Buy	208869 Ordinary Shares
Morgan Stanley Australia Securities Limited	July 8, 2010	0.5600	Buy	8742 Ordinary Shares
Morgan Stanley & Co. International plc	July 9, 2010	0.5843	Buy	271727 Ordinary Shares
Morgan Stanley Australia Securities Limited	July 9, 2010	0.5794	Buy	80373 Ordinary Shares
Morgan Stanley & Co. International plc	July 12, 2010	0.6250	Buy	34447 Ordinary Shares
Morgan Stanley Australia Securities Limited	July 12, 2010	0.6284	Buy	5127796 Ordinary Shares
Morgan Stanley & Co. International plc	July 12, 2010	N.A	Borrow	27312 Ordinary Shares
Morgan Stanley Australia Securities Limited	July 13, 2010	0.6310	Buy	5220926 Ordinary Shares
Morgan Stanley & Co. International plc	July 14, 2010	0.6921	Buy	72302 Ordinary Shares
Morgan Stanley Australia Securities Limited	July 14, 2010	0.6811	Buy	9493757 Ordinary Shares

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Morgan Stanley & Co. Incorporated	Is controlled by an entity (i.e. one of the Upstream Corporations) that controls both Morgan Stanley & Co. International plc and Morgan Stanley & Co. Incorporated
Morgan Stanley Investment Management Limited	Is controlled by an entity (i.e. one of the Upstream Corporations) that controls both Morgan Stanley & Co. International plc and Morgan Stanley Investment Management Limited
Morgan Stanley Australia Securities Limited	Is controlled by an entity (i.e. one of the Upstream Corporations) that controls both Morgan Stanley & Co. International plc and Morgan Stanley Australia Securities Limited
Morgan Stanley Smith Barney LLC	Is controlled by an entity (i.e. one of the Upstream Corporations) that controls both Morgan Stanley & Co. International plc and Morgan Stanley Smith Barney LLC
Morgan Stanley Investment Advisors Inc.	Is controlled by an entity (i.e. one of the Upstream Corporations) that controls both Morgan Stanley & Co. International plc and Morgan Stanley Investment Advisors Inc.
Morgan Stanley Investment Management Inc.	Is controlled by an entity (i.e. one of the Upstream Corporations) that controls both Morgan Stanley & Co. International plc and Morgan Stanley Investment Management Inc.

**7. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
Morgan Stanley & Co. International plc	25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom
Morgan Stanley & Co. Incorporated	1585 Broadway New York, NY 10036, United States
Morgan Stanley Investment Management Limited	25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom
Morgan Stanley Australia Securities Limited	Level 39 Chifley Tower, 2 Chifley Square, Sydney NSW 2000, Australia
Morgan Stanley Smith Barney LLC	1585 Broadway New York, NY 10036, United States
Morgan Stanley Investment Advisors Inc.	522 Fifth Avenue, New York, NY 10036, United States
Morgan Stanley Investment Management Inc.	522 Fifth Avenue, New York, NY 10036, United States

**Signature**

print name May Wong

capacity Vice President

sign here



date 16 July 2010

**DIRECTIONS**



- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
- (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

# GUIDE

This guide does not form part of the prescribed form and is included by ASIC to assist you in completing and lodging form 603.

**Signature**

This form must be signed by either a director or a secretary of the substantial holder.

**Lodging period**

Nil

**Lodging Fee**

Nil

**Other forms to be completed**

Nil

**Additional information**

- (a) If additional space is required to complete a question, the information may be included on a separate piece of paper annexed to the form.
- (b) This notice must be given to a listed company, or the responsible entity for a listed managed investment scheme. A copy of this notice must also be given to each relevant securities exchange.
- (c) The person must give a copy of this notice:
- (i) within 2 business days after they become aware of the information; or
  - (ii) by 9.30 am on the next trading day of the relevant securities exchange after they become aware of the information if:
    - (A) a takeover bid is made for voting shares in the company or voting interests in the scheme; and
    - (B) the person becomes aware of the information during the bid period.

**Annexures**

To make any annexure conform to the regulations, you must

- 1 use A4 size paper of white or light pastel colour with a margin of at least 10mm on all sides
- 2 show the corporation name and ACN or ARBN
- 3 number the pages consecutively
- 4 print or type in BLOCK letters in dark blue or black ink so that the document is clearly legible when photocopied
- 5 identify the annexure with a mark such as A, B, C, etc
- 6 endorse the annexure with the words:  
*This is annexure (mark) of (number) pages referred to in form (form number and title)*
- 7 sign and date the annexure.

The annexure must be signed by the same person(s) who signed the form.

# Morgan Stanley

## Morgan Stanley & Co. International plc ("MSI plc") – Extract of International Prime Brokerage Agreement

### A.3. Rights and Obligations in Respect of Investments

#### **A.3.1. Corporate Actions:**

- (i) Where MSI plc is notified that a Corporate Action may be exercised in relation to an Investment credited to a Prime Brokerage Account and registered in the name of an Associated Firm, a sub-custodian appointed by MSI plc or its or such sub-custodian's nominee, it will use reasonable efforts to notify the Client as soon as practicable of such Corporate Action.
- (ii) If the Client wishes to exercise a right relating to a Corporate Action in relation to an Investment credited to a Prime Brokerage Account, it must notify MSI plc in writing of its election as soon as possible, but in any event no later than the expiry of Morgan Stanley's deadline for submissions of elections relating to that Corporate Action as advised to the Client by MSI plc or, where no deadline is advised, no later than 10 Notice Business Days prior to the final date for submission by MSI plc of such elections (or such shorter period as may be agreed in writing). MSI plc will use reasonable efforts to exercise such right, but only (a) on such terms as the Client has notified to MSI plc in writing and as are acceptable to MSI plc, and (b) where the Client has provided MSI plc or any other person (as the case may be) with any funds required to exercise such right.
- (iii) MSI plc will use reasonable efforts to send the Client Corporate Action Information. This will have been sent to MSI plc from a sub-custodian or agent bank for forwarding to shareholders whose shares are held in custody by MSI plc. No representation or warranty, express or implied, is or will be made by MSI plc in relation to the accuracy or completeness of the Corporate Action Information or any other written or oral information made available to the Client or its advisers in connection with the proposed Corporate Action and no responsibility or liability is or will be accepted by Morgan Stanley in relation to it. The Client should make its own investigation of the proposed Corporate Action and all information provided.
- (iv) The distribution of the Corporate Action Information in certain jurisdictions may be restricted by law in the jurisdiction in which the Client resides or conducts business. Any request for MSI plc to exercise or participate on behalf of the Client in the proposed Corporate Action shall be a representation to Morgan Stanley that the Client is entitled to so exercise or participate and that any and all restrictions or qualifications have been complied with. By accepting and executing such request on behalf of the Client, MSI plc is not making any representation or warranty about the Client's eligibility to so exercise or participate in any such action.

- A.3.5. Voting Rights:** Where MSI plc is notified that voting rights may be exercised in relation to an Investment credited to a Prime Brokerage Account and registered in the name of a Morgan Stanley Company, a sub-custodian appointed by MSI plc or its or such sub-custodian's nominee, it will use reasonable efforts to notify the Client as soon as practicable of

such voting rights. MSI plc will only exercise voting rights in respect of the Client's Investments held in the Prime Brokerage Account and registered in the name of a Morgan Stanley Company, a sub-custodian appointed by Morgan Stanley or that of its or such sub-custodian's nominee, where expressly agreed with the Client.

### B.2. Terms of Settlement Facility

- (vii) **Corporate Actions:** Where, prior to delivery of any Equivalent Securities to MSI plc:
- (a) any voting rights relating to any Settlement Securities the subject of a Settlement Facility become exercisable, then the Client will, where it holds securities of the same description as any made available to it under the Settlement Facility, exercise any such rights in accordance with MSI plc's instructions; and
- (b) any rights relating to a Corporate Action, including those requiring election arise in respect of any Settlement Securities the subject of a Settlement Facility, then the Client will deliver to MSI plc Equivalent Securities in such form as MSI plc has notified to the Client in relation to the exercise of any such right.

### I.1. Use of Investments

- (i) The Client hereby authorises any Morgan Stanley Company at any time or times to borrow, lend, charge, rehypothecate, dispose of or otherwise use for its own purposes any Investments which are for the time being subject to the Security without giving notice of such borrowing, lending, charge, rehypothecation, disposal or other use to the Client. Such Morgan Stanley Company may retain for its own account all fees, profits and other benefits received in connection with any such borrowing, loan or use. Upon (i) a borrowing, lending or other use, such Investments will become the absolute property of that Morgan Stanley Company (or that of its transferee) free from the Security and from any equity, right, title or interest of the Client's and (ii) a charge or rehypothecation of any of the Client's Investments, all of those Investments, including the Client's interest in those Investments, will be subject to the charge or other security interest created by such charge or rehypothecation. Upon any such use, the Client will have a right against MSI plc for the delivery of Equivalent Investments in accordance with paragraph I.2.
- (ii) Where a Morgan Stanley Company borrows, lends or otherwise uses Hong Kong Securities any such borrowing, lending or use shall be effected by way of a loan of the relevant securities by the Client to the Morgan Stanley Company under the OSLA (as defined in paragraph B.1.1. above). The Morgan Stanley Company shall not be required to issue a Borrowing Request (as defined in the OSLA) in respect of any such loan made.