

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme EIRCOM HOLDINGS LIMITED

ACN/ARSN 112 119 203

1. Details of substantial holder (1)

Name Morgan Stanley Australia Securities Ltd.

ACN/ARSN (if applicable) ACN 078 652 276

The holder became a substantial holder on November 10, 2009

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 | 18,224,322 | 18,224,322 | 10.654% |
| | | | Based on 167,904,914 shares outstanding |

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 Australia Securities Ltd. | 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. | 17,129,914 Ordinary Shares |
| 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. | 1,094,408 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 Australia Securities Ltd. | Morgan Stanley Australia Securities (Nominee) Pty Limited | Not Applicable | 17,129,914 Ordinary Shares |
| Morgan Stanley & Co. International plc | HSBC Custody Nominees (Australia) Limited | Not Applicable | 1,094,408 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 | July 9, 2009 | 1.1650 | Buy | 174 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 13, 2009 | 1.1700 | Buy | 381 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 13, 2009 | N.A. | Borrow Increased | 174 Ordinary Shares |

| | | | | |
|--|---------------|--------|-----|------------------------|
| Morgan Stanley & Co. International plc | July 14, 2009 | 1.1869 | Buy | 2244 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 14, 2009 | 1.1700 | Buy | 162 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 15, 2009 | 1.2300 | Buy | 794 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 15, 2009 | 1.2300 | Buy | 1106 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 15, 2009 | 1.2300 | Buy | 312 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 15, 2009 | 1.2300 | Buy | 1106 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 15, 2009 | 1.1700 | Buy | 8887 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 15, 2009 | 1.1905 | Buy | 10569 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 15, 2009 | 1.2300 | Buy | 451 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 16, 2009 | 1.2500 | Buy | 1077 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 16, 2009 | 1.2300 | Buy | 13121 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 16, 2009 | 1.2644 | Buy | 22899 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 16, 2009 | 1.2500 | Buy | 101 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 17, 2009 | 1.1700 | Buy | 1073 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 17, 2009 | 1.1700 | Buy | 1073 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 17, 2009 | 1.1700 | Buy | 1073 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 17, 2009 | 1.1700 | Buy | 846 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 17, 2009 | 1.1700 | Buy | 227 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 17, 2009 | 1.1949 | Buy | 19331 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 17, 2009 | 1.1700 | Buy | 145 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 149 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 1000 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 429 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 224 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 234 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 331 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 229 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 1051 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 5000 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 929 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 1051 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 509 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 542 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 356 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 1051 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 2500 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 538 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 20, 2009 | 1.2000 | Buy | 230 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 20, 2009 | 1.2047 | Buy | 36165 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 20, 2009 | 1.2000 | Buy | 35 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 21, 2009 | 1.2140 | Buy | 7732 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 22, 2009 | 1.2657 | Buy | 47683 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 22, 2009 | 1.2700 | Buy | 377774 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 22, 2009 | 1.2700 | Buy | 19004 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 22, 2009 | 1.2700 | Buy | 441 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 23, 2009 | 1.2700 | Buy | 25341 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 23, 2009 | 1.2450 | Buy | 1034 Ordinary Shares |

| | | | | |
|--|--------------------|--------|-------------------|------------------------|
| Morgan Stanley Australia Securities Ltd. | July 23, 2009 | 1.2450 | Buy | 1034 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 23, 2009 | 1.2450 | Buy | 1034 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 23, 2009 | 1.2835 | Buy | 5210 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 23, 2009 | 1.2450 | Buy | 53343 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 23, 2009 | 1.2450 | Buy | 176 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 24, 2009 | 1.2450 | Buy | 4228 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 24, 2009 | 1.2550 | Buy | 5155 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 24, 2009 | 1.2200 | Buy | 8280 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 24, 2009 | N.A. | Borrow Increased | 155 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 27, 2009 | 1.2298 | Buy | 7475 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | July 28, 2009 | 1.2250 | Buy | 4153 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 28, 2009 | 1.2100 | Buy | 8037 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 30, 2009 | 1.1500 | Buy | 589 Ordinary Shares |
| Morgan Stanley & Co. International plc | July 30, 2009 | 1.1500 | Buy | 9441 Ordinary Shares |
| Morgan Stanley & Co. International plc | August 17, 2009 | 1.1717 | Buy | 3177 Ordinary Shares |
| Morgan Stanley & Co. International plc | August 19, 2009 | N.A. | Receipt Increased | 194348 Ordinary Shares |
| Morgan Stanley & Co. International plc | August 24, 2009 | 1.1817 | Buy | 3571 Ordinary Shares |
| Morgan Stanley & Co. International plc | August 26, 2009 | 1.1800 | Buy | 914 Ordinary Shares |
| Morgan Stanley & Co. International plc | August 26, 2009 | 1.1800 | Buy | 12302 Ordinary Shares |
| Morgan Stanley & Co. International plc | August 27, 2009 | 1.1800 | Buy | 925 Ordinary Shares |
| Morgan Stanley & Co. International plc | August 27, 2009 | N.A. | Receipt Increased | 11200 Ordinary Shares |
| Morgan Stanley & Co. International plc | August 31, 2009 | 1.2200 | Buy | 480 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 1, 2009 | 1.2056 | Buy | 8250 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 1, 2009 | 1.2250 | Buy | 255 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 4, 2009 | 1.2170 | Buy | 22863 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 7, 2009 | 1.2421 | Buy | 2774 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 8, 2009 | 1.2510 | Buy | 11063 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 8, 2009 | N.A. | Receipt Increased | 790000 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 10, 2009 | 1.2790 | Buy | 4779 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 10, 2009 | 1.2756 | Buy | 2038 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 10, 2009 | 1.2450 | Buy | 11267 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 10, 2009 | N.A. | Borrow Increased | 382310 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 14, 2009 | 1.2747 | Buy | 4667 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 15, 2009 | 1.2945 | Buy | 664 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 16, 2009 | 1.3100 | Buy | 2804 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 16, 2009 | 1.3100 | Buy | 9297 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 17, 2009 | 0.5150 | Buy | 31107 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 17, 2009 | 0.5150 | Buy | 15236 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 21, 2009 | 0.5149 | Buy | 64181 Ordinary Shares |
| Morgan Stanley & Co. International plc | September 21, 2009 | 0.5200 | Buy | 504 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 7, 2009 | 0.5200 | Buy | 12560 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 7, 2009 | 0.5200 | Buy | 554 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 7, 2009 | 0.5200 | Buy | 3233 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 8, 2009 | 0.5199 | Buy | 13840 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 8, 2009 | N.A. | Receipt Increased | 907500 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 13, 2009 | 0.5200 | Buy | 2264 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 13, 2009 | 0.5200 | Buy | 3082 Ordinary Shares |

| | | | | |
|--|-------------------|--------|-------------------|-------------------------|
| Morgan Stanley & Co. International plc | October 14, 2009 | 0.5200 | Buy | 772 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 14, 2009 | 0.5250 | Buy | 252 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 20, 2009 | 0.5200 | Buy | 5948 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 22, 2009 | 0.5250 | Buy | 251 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 22, 2009 | 0.5200 | Buy | 1862 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 23, 2009 | 0.5246 | Buy | 6444 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 23, 2009 | 0.5279 | Buy | 11556 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 27, 2009 | N.A. | Receipt Increased | 365900 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 28, 2009 | 0.5250 | Buy | 753 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 29, 2009 | 0.5237 | Buy | 15804 Ordinary Shares |
| Morgan Stanley & Co. International plc | October 29, 2009 | 0.5250 | Buy | 4084 Ordinary Shares |
| Morgan Stanley & Co. International plc | November 4, 2009 | 0.5200 | Buy | 6463 Ordinary Shares |
| Morgan Stanley & Co. International plc | November 5, 2009 | N.A. | Borrow Increased | 502 Ordinary Shares |
| Morgan Stanley & Co. International plc | November 6, 2009 | 0.5250 | Buy | 7406 Ordinary Shares |
| Morgan Stanley & Co. International plc | November 6, 2009 | N.A. | Borrow Increased | 1505 Ordinary Shares |
| Morgan Stanley & Co. International plc | November 9, 2009 | 0.5192 | Buy | 1505 Ordinary Shares |
| Morgan Stanley & Co. International plc | November 9, 2009 | 0.5150 | Buy | 14557 Ordinary Shares |
| Morgan Stanley & Co. International plc | November 10, 2009 | 0.5200 | Buy | 21457 Ordinary Shares |
| Morgan Stanley & Co. International plc | November 10, 2009 | N.A. | Borrow Increased | 6792 Ordinary Shares |
| Morgan Stanley Australia Securities Ltd. | November 10, 2009 | 0.5208 | Buy | 1700000 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. International plc | 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 Ltd. |

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 Australia Securities Ltd. | Level 39 Chifley Tower, 2 Chifley Square, Sydney NSW 2000, Australia |

Signature

print name Brett Graham

capacity Managing Director

sign here



date 12 November 2009

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 and Co. International plc
25 Cabot Square, Canary Wharf, London, E144QA, United Kingdom
Tel: +44 (0) 20 7425 8000
Fax: +44 (0) 20 7425 8990


Morgan Stanley

12 November 2009

Dear Sir/ Madam,

This is to certify that these are redacted copies of the Securities Loan and Borrowing Agreement used by Morgan Stanley & Co. International plc in the borrowing and lending of the securities of Eircom Holdings Limited, as reported in the Notice of Initial Substantial holder (Form 603) dated 12 November 2009.

Regards,



Brett Graham
Managing Director

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.