

Morgan Stanley

Morgan Stanley Compensation & Governance Practices

April 2026

# Morgan Stanley's Board of Directors Recommends Shareholders Vote:

## FOR: Three Management Proposals

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- 1 Approve the compensation of Named Executive Officers (“Say on Pay” Non-Binding Advisory Vote)
- 2 Elect all Director Nominees
- 3 Ratify Deloitte & Touche LLP’s Appointment as the Firm’s Independent Auditor

## AGAINST: One Shareholder Proposal

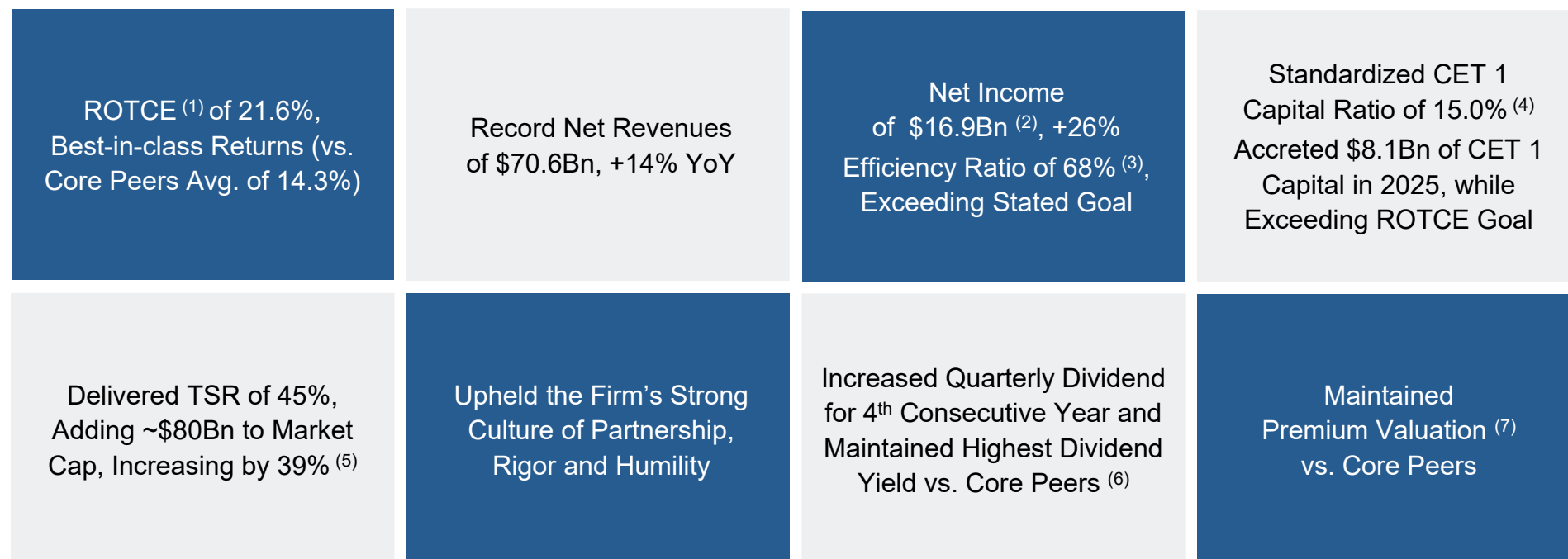
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- 1 Independent Board Chairman

# Outstanding Performance Across Metrics Firmwide

## 1 **FOR:** Approve the compensation of Named Executive Officers (“Say on Pay” Non-Binding Advisory Vote)

- Based on outstanding individual and exceptional financial performance in 2025, total CEO compensation was set at \$45MM with shareholder-aligned features
- Due to meaningful movement in 2024 Core Peer CEO pay, second year as CEO and additional role of Chairman, the CMDS Committee determined 2024 CEO compensation was not sufficiently aligned with current market pay norms and market pay aligned with the CEO’s expanded role, Firm performance, and latest peer benchmark was the more appropriate reference before factoring in holistic review of 2025 absolute and relative Firm and individual performance results
- Under Mr. Pick’s leadership and with the consistent execution of a well-defined strategy, accomplished results for 2025 as indicated below

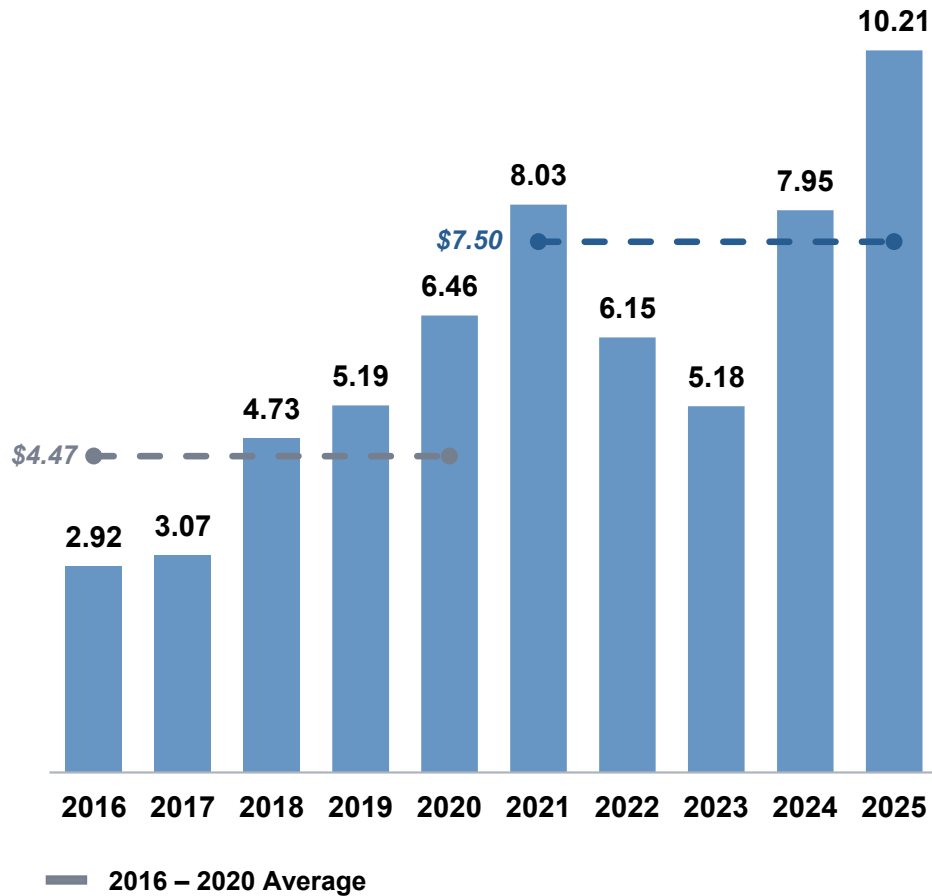


The End Notes are an integral part of this Presentation. See slides 21-23 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

# The Integrated Firm: Executing on a Higher Plane

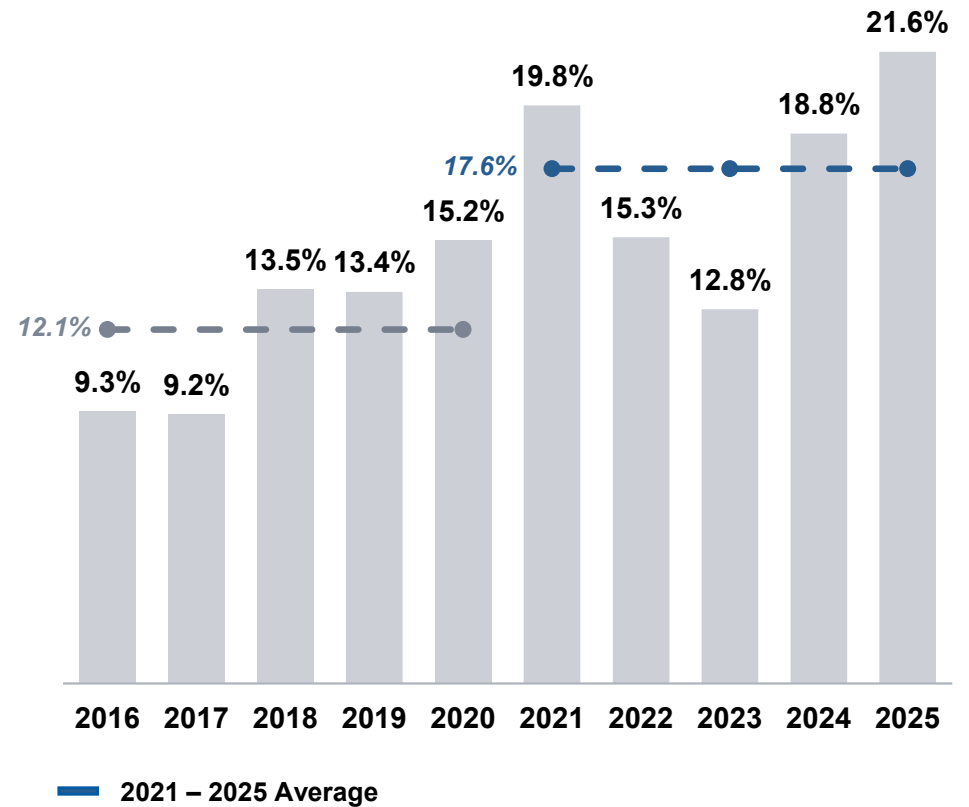
## EARNINGS GROWTH

EPS (\$) <sup>(1)</sup>



## HIGHER RETURNS

ROTC (%)

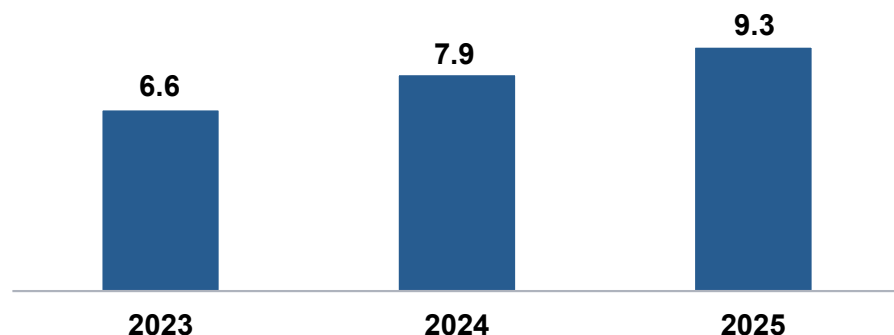


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# Driving Asset and Revenue Growth While Maintaining Strong Capital and Growing the Dividend

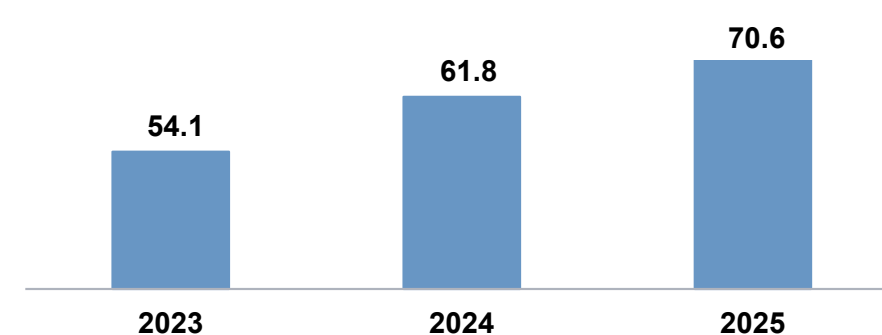
## TOTAL CLIENT ASSETS <sup>(1)</sup>

Wealth & Investment Management Total Client Assets (\$Tn)



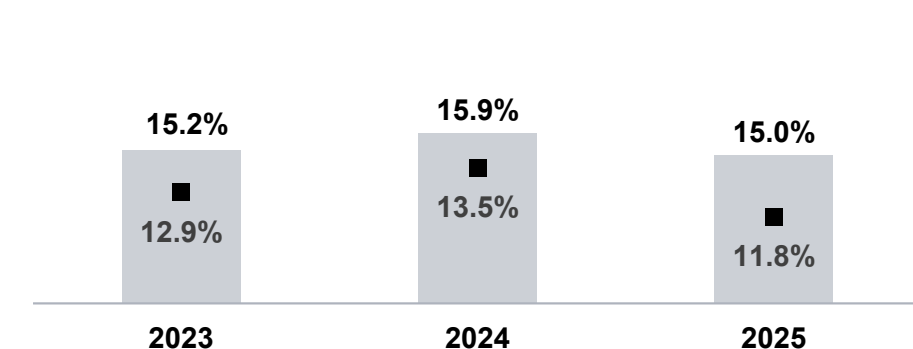
## REVENUE GROWTH

Net Revenues (\$Bn)



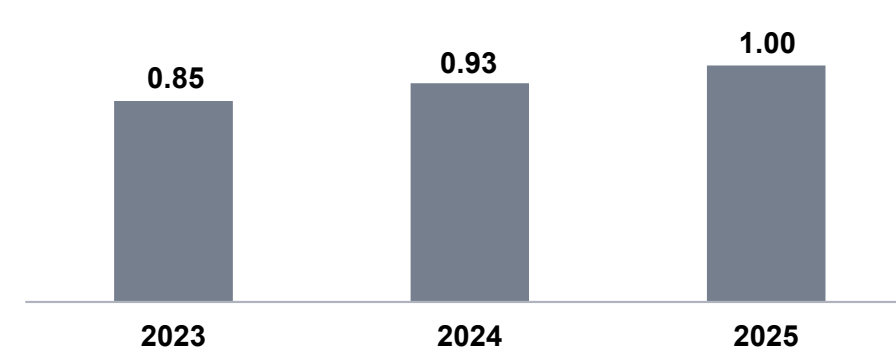
## ROBUST EXCESS CAPITAL

Common Equity Tier 1 Ratio (%)



## SUPPORTING CONSISTENT DIVIDEND GROWTH

Quarterly Dividend per Share (\$) <sup>(3)</sup>



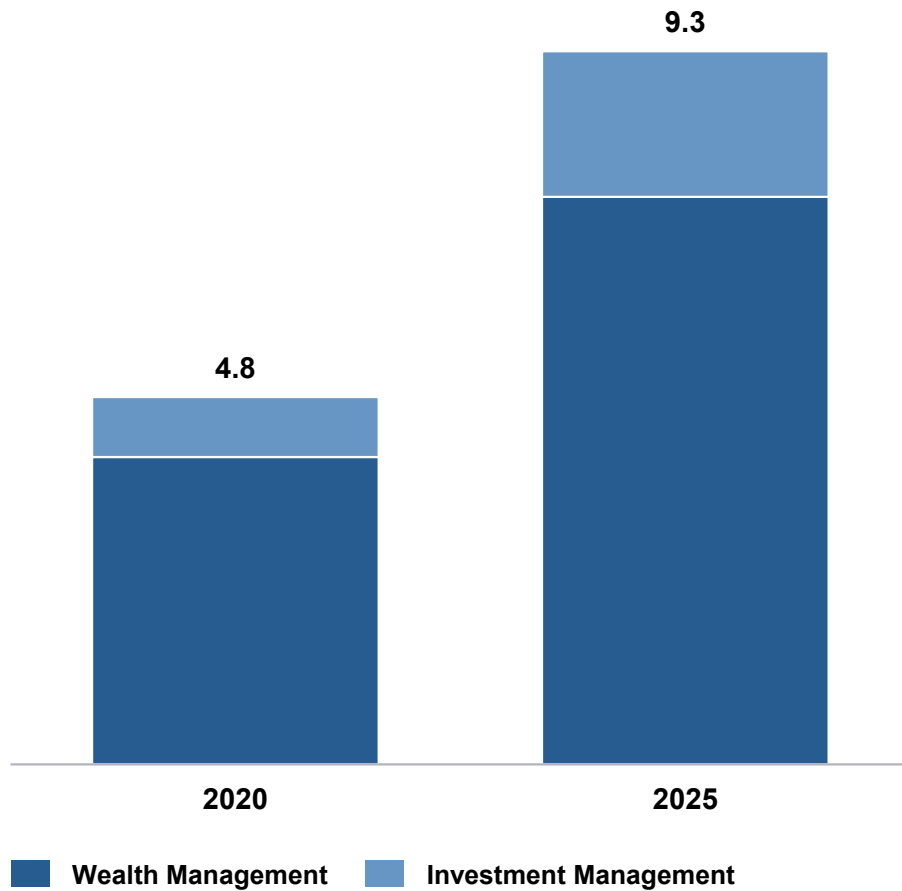
■ Regulatory Requirement <sup>(2)</sup>

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# Tracking Firmwide Goals: \$9Tn+ in Client Assets and Institutional Wallet Share Gains

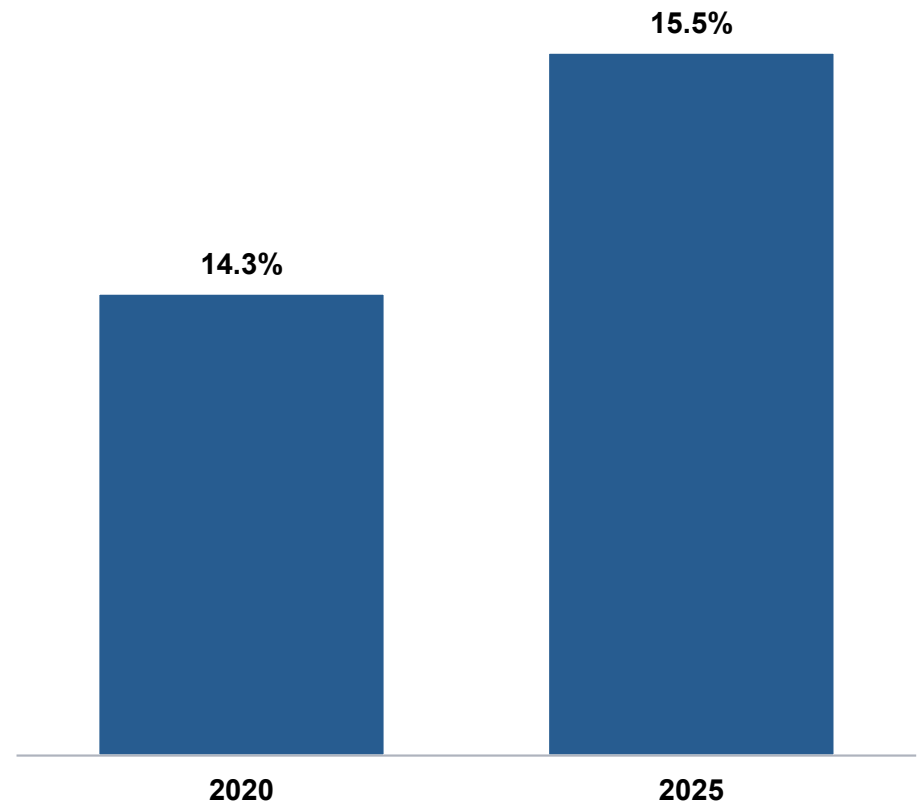
## COMPOUNDING ASSETS

Total Client Assets (\$Tn)



## GAINING SHARE

Institutional Securities Wallet Share (%)<sup>(1)</sup>



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# Track Record of Effective Investments and Strategic Expansion Over Time Driving Results Today

## EXPANDING OUR CAPABILITIES THROUGH STRATEGIC INVESTMENTS & INORGANIC GROWTH OPPORTUNITIES

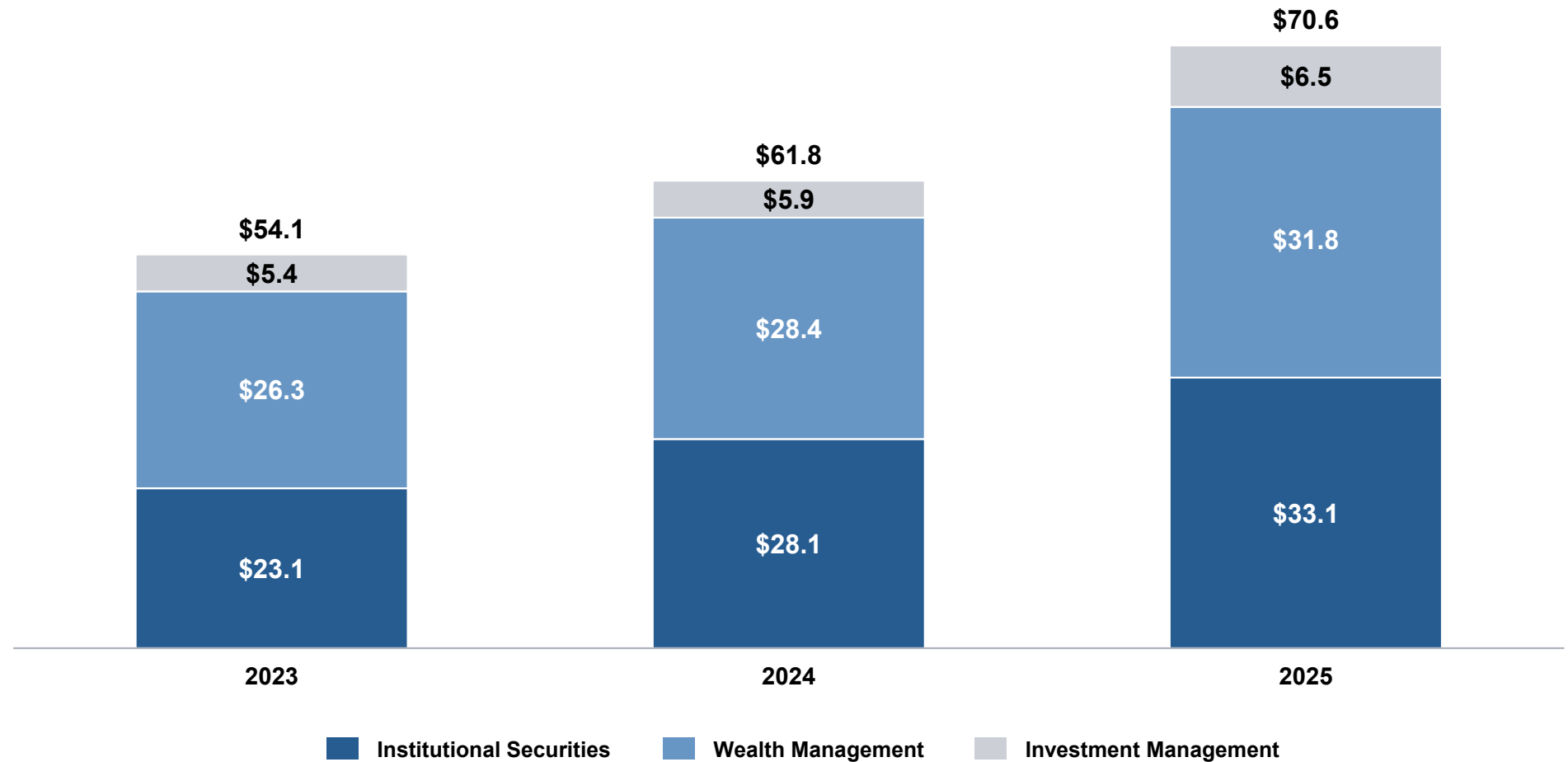
Areas of Investments	Acquisitions
Talent Across Businesses	Smith Barney
Differentiated Client Solutions	Mesa West
Expanded Bank Offering	Solium
World-Class Tech and Modernization	E*TRADE
Infrastructure to Support Growth	Eaton Vance
The Integrated Firm	EquityZen

**FY 2025 Results: \$70.6Bn in Net Revenues, \$10.21 EPS, and 21.6% ROTCE**

# Strategy Delivering Growth Across Businesses

## NET REVENUES <sup>(1)</sup>

(\$Bn)



The End Notes are an integral part of this Presentation. See slides 21-23 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

# Strong Results in 2025 On Track or Exceeding Firmwide Goals Driven by Four Pillars of The Integrated Firm

## STRATEGIC OBJECTIVES

		FIRMWIDE GOALS <sup>(1)</sup>	2024 RESULTS	2025 RESULTS
<b>STRATEGY</b>	Client Assets	\$10Tn +	\$7.9Tn	\$9.3Tn
	WM Pre-Tax Margin <sup>(2)</sup>	30%	27%	29%
<b>CULTURE</b>	ISG Wallet Share	Durable Share Gains	✓	✓
	Efficiency Ratio	70%	71%	68%
<b>FINANCIAL STRENGTH</b>	ROTCE	20%	18.8%	21.6%
<b>GROWTH</b>				

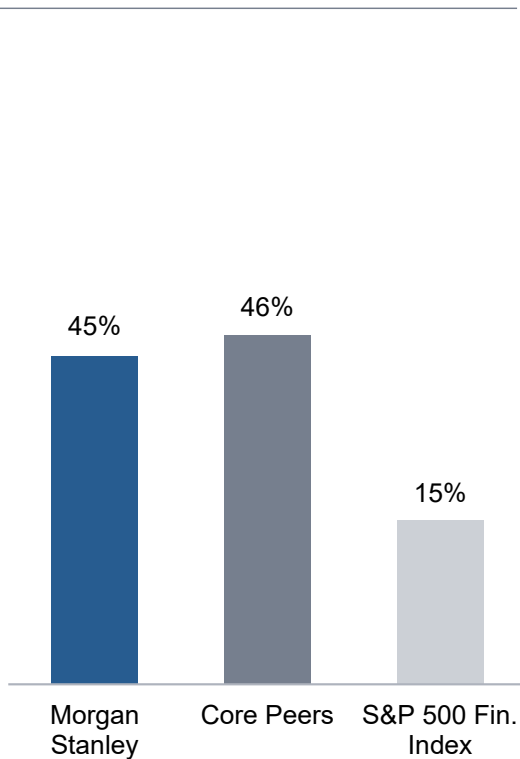
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# Continue to Generate Strong Shareholder Returns

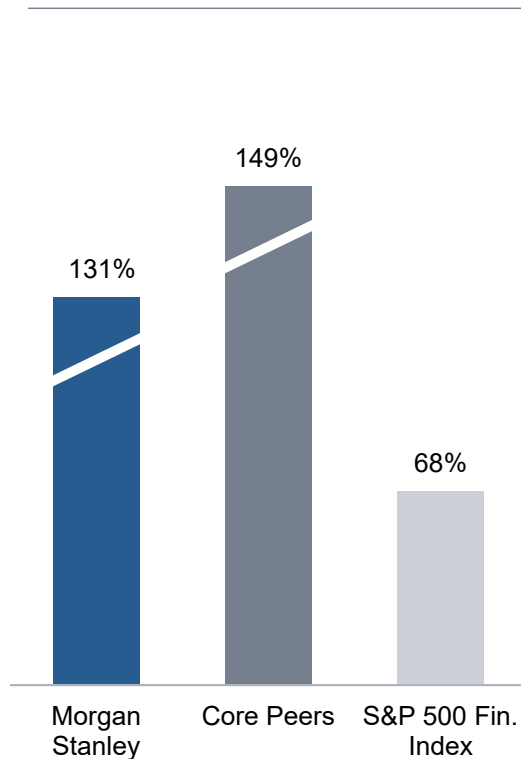
## Strong relative long-term performance by Morgan Stanley vs. peer average and market

For 2025, Morgan Stanley achieved a market capitalization of \$282 billion

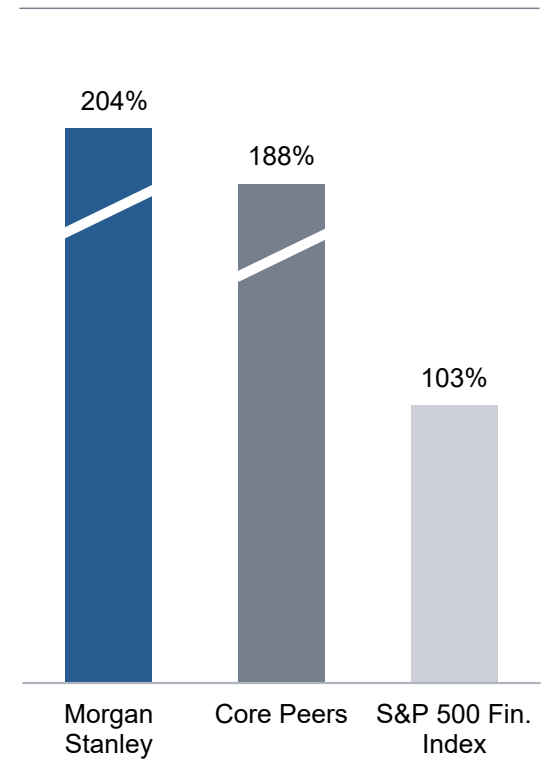
### 1-YEAR (2025) TSR <sup>(1)</sup>



### 3-YEAR (2023 - 2025) TSR <sup>(2)</sup>



### 5-YEAR (2021 - 2025) TSR <sup>(3)</sup>



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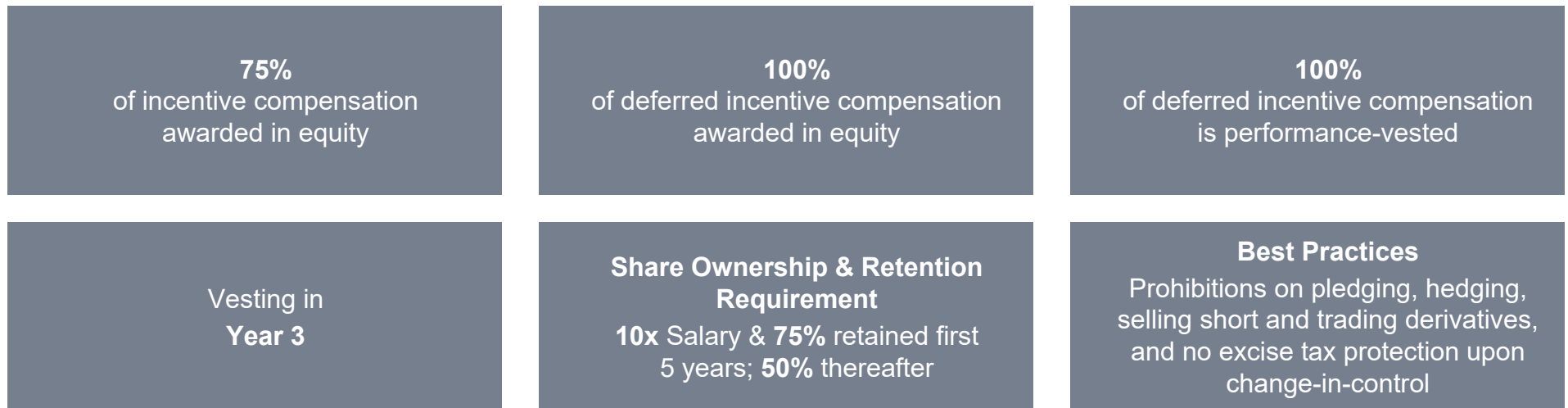
# Compensation Philosophy & Features

Our program is built for long-term sustainable value creation; the Firm is committed to a pay for performance philosophy, which supports the Firm's culture and values and shareholders' interests

## OUR COMPENSATION PHILOSOPHY



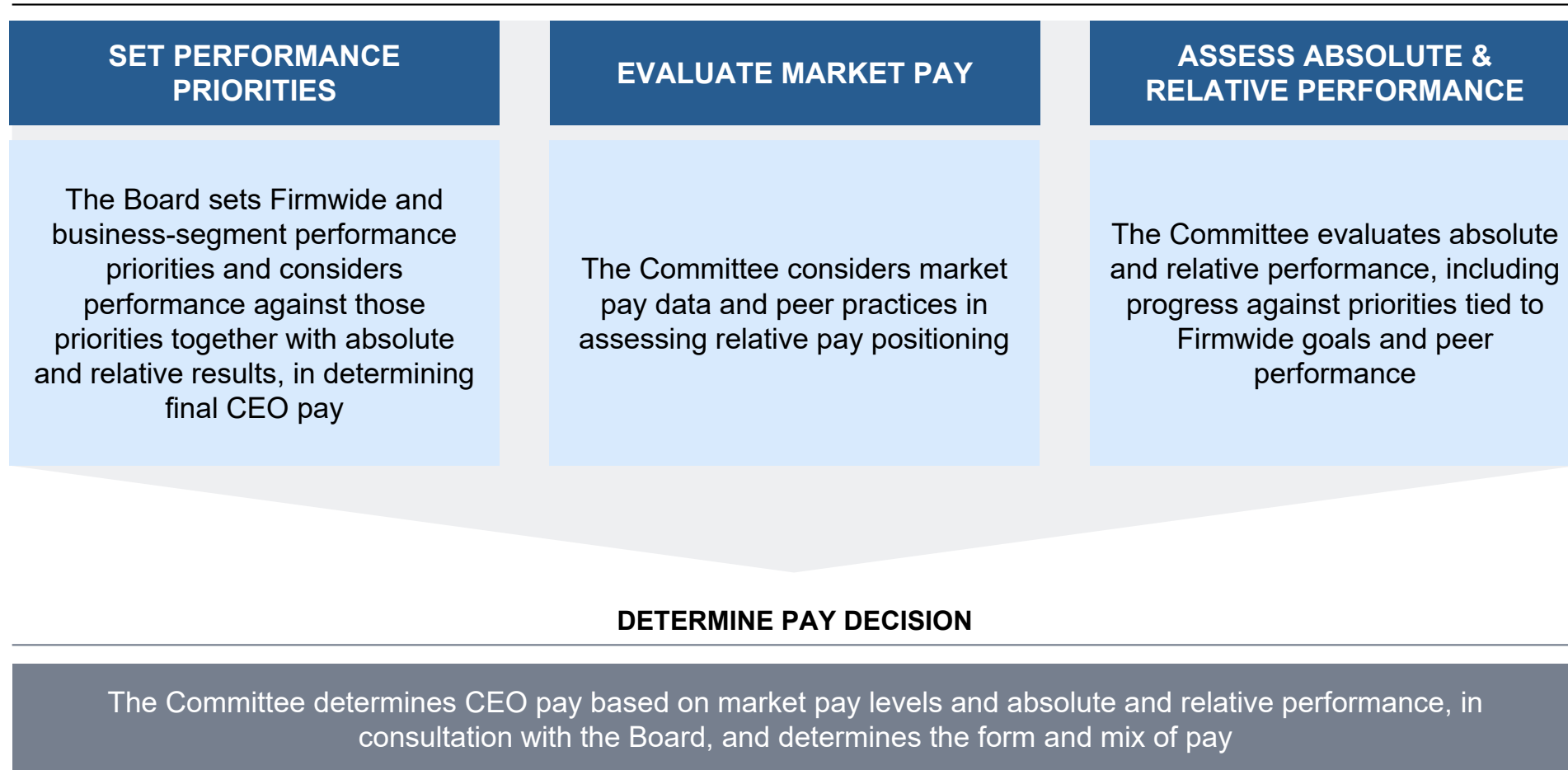
## HOW WE ENSURE CEO PAY IS TIED TO LONG-TERM SUSTAINABLE VALUE CREATION



# CEO Pay Determination Framework

Our comprehensive pay framework aligns pay with performance, emphasizing integrity, competitive market practices, and shareholder alignment

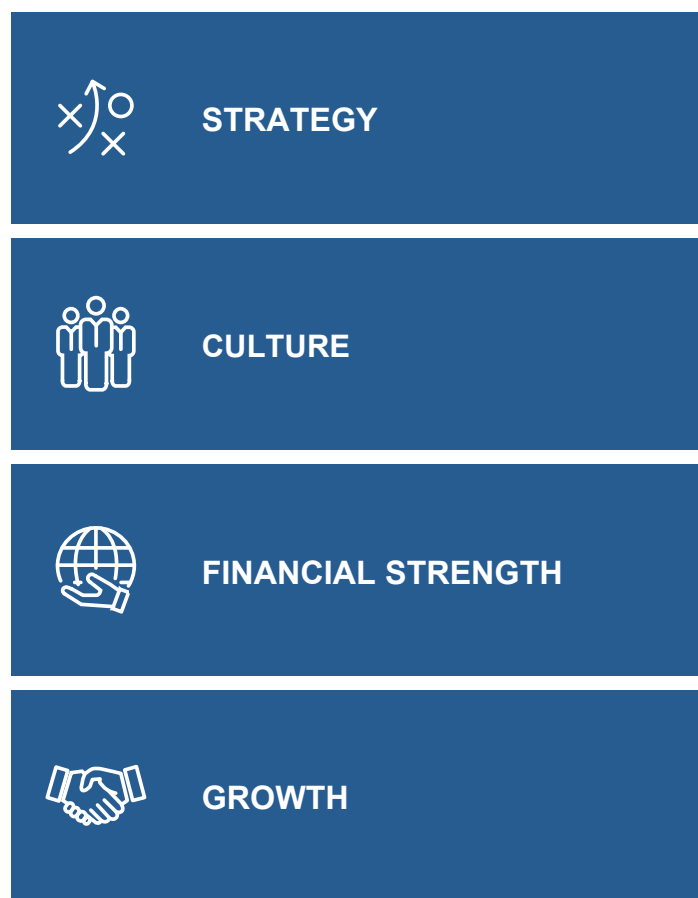
## HOW WE DETERMINE CEO PAY



# Performance Priorities Define What Success Looks Like

The CMDS Committee's evaluation of performance against the below priorities informs compensation decisions; these priorities are tied to Firmwide goals, allowing us to directly reward strategic, long-term business outcomes

## FOUR PILLARS OF THE INTEGRATED FIRM



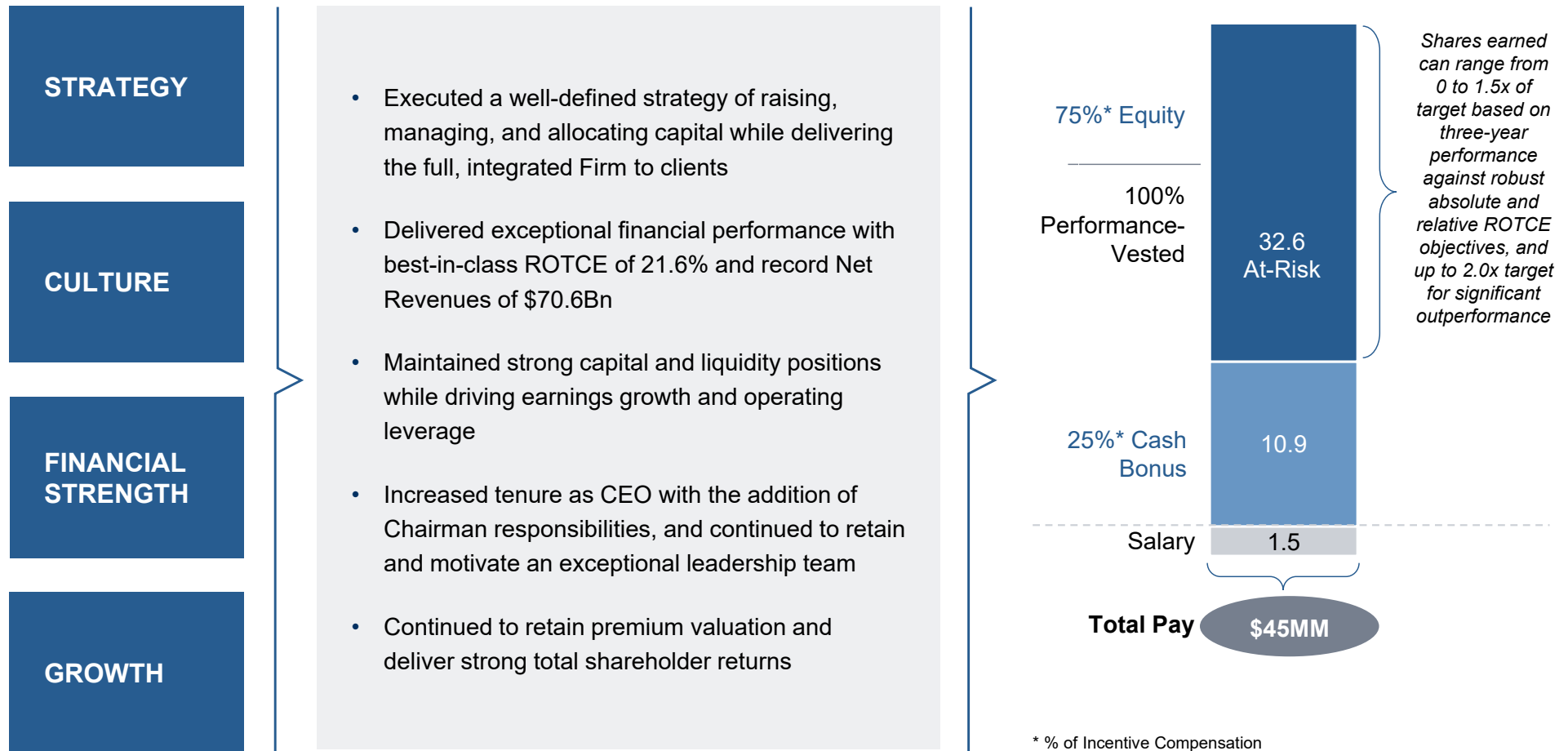
## HOW WE EVALUATE PERFORMANCE

- CEO leadership and alignment of a strategy with the Board and Management
- Focus on leadership, management, culture, and reputation
- Workforce development, retention, and engagement
- Maintain strong global regulatory standing
- Effective risk and control framework
- Robust Firm financial performance including ROTCE and expense efficiency ratio
- Maintain Firm resilience
- Strong credit ratings
- Business segment performance including profitability and market share
- Generate strong total shareholder returns

# 2025 CEO Performance & Compensation Determination

The CMDS Committee assessed CEO and Firm performance including a thorough evaluation of market pay and absolute and relative performance, and determined 2025 CEO compensation

## HOW WE INCORPORATE PERFORMANCE INTO CEO PAY DECISION



# Performance Stock Unit Program Enhancements

We regularly review our compensation program to ensure it remains committed to our compensation philosophy, is aligned with long-term strategic objectives, addresses market competitiveness, and effectively responds to shareholder expectations

## HOW WE ENHANCED SHAREHOLDER ALIGNMENT OF PSU PROGRAM

<b>LONG-TERM, SUSTAINABLE FOCUS</b>	<b>STRONGER EXECUTIVE OWNERSHIP</b>	<b>HEIGHTENED PERFORMANCE STANDARDS</b>	<b>DRIVE ACCOUNTABILITY</b>
Align max performance threshold to Firmwide ROTCE goal	Increase PSU amounts for CEO and Named Executive Officers	Combined and increased ROTCE thresholds	Extend participation to the Firm's Management Committee

*Details are disclosed in the Compensation Discussion and Analysis in the 2026 Proxy Statement*

# Committed to Maintaining Best in Class Governance

## 2 FOR: Elect All Director Nominees

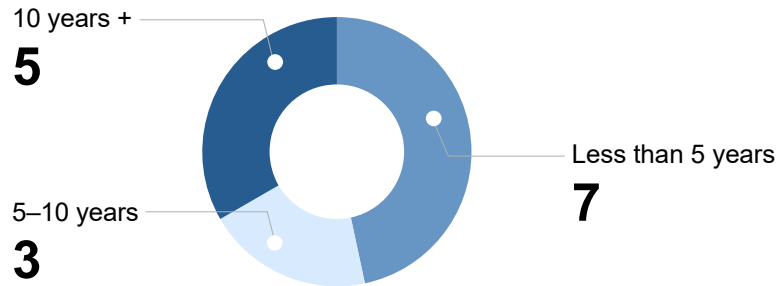
### KEY CORPORATE GOVERNANCE PRACTICES

Robust Board Oversight	Annual Board Evaluation	Shareholder Rights and Accountability	Longstanding Sustainability Strategy	Value and Respond to Shareholder Feedback
<ul style="list-style-type: none"> <li>• The Firm’s strategy, including an annual offsite with management</li> <li>• Annual business plans</li> <li>• Enterprise Risk Management framework</li> <li>• Sustainability matters</li> <li>• Culture, values and conduct</li> <li>• Succession plans for CEO and senior executives</li> </ul>	<ul style="list-style-type: none"> <li>• One-on-one interviews for Board, Independent Lead Director and committee evaluations include:               <ul style="list-style-type: none"> <li>– Duties and responsibilities, including individual director performance</li> <li>– Board and committee structure</li> <li>– Culture, process and execution</li> </ul> </li> <li>• Policies and practices are revised as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• Adopted proxy access</li> <li>• Shareholders who own at least 25% of common stock may call a special meeting of shareholders</li> <li>• All directors elected annually by majority vote</li> <li>• No “poison pill” in effect</li> </ul>	<ul style="list-style-type: none"> <li>• Set a goal to mobilize \$1 trillion to support sustainable solutions by 2030</li> <li>• Goal to reach net-zero financed emissions by 2050 with interim 2030 financed emissions targets</li> <li>• Achieved carbon neutrality across our global operations since 2022</li> <li>• Environmental and Social Policy Statement helps to safeguard shareholder value</li> </ul>	<ul style="list-style-type: none"> <li>• Investor input in recent years has led to:               <ul style="list-style-type: none"> <li>– Enhanced proxy disclosure of pay for performance</li> <li>– Inclusion of Board skills matrix</li> <li>– Reporting on talent and culture</li> <li>– Amendment to the Board’s “overboarding” policy</li> <li>– Enhanced disclosures on political activities</li> </ul> </li> </ul>

# Board of Directors has Relevant and Broad Experience

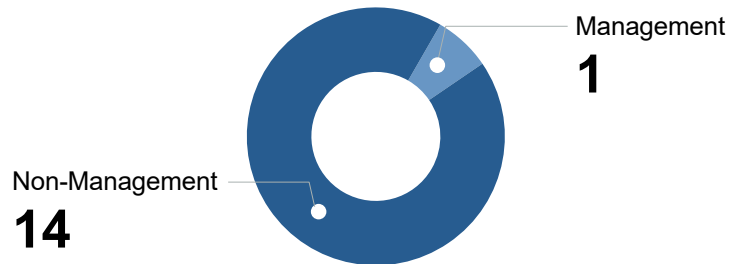
## BOARD TENURE BALANCE <sup>(1)</sup>

Average Tenure: 7 years



## BOARD INDEPENDENCE

All members of all committees are non-management, and the Board benefits from an **engaged Independent Lead Director** with expansive responsibilities



## BOARD COMPOSITION <sup>(1)</sup>

**4** DIRECTORS  
born outside of the U.S.

**66** YEARS  
average age of Board upon election at annual meeting

**5** NEW DIRECTORS  
in the last three years (since beginning of 2023)

## NOMINEES' SKILLS ALIGN WITH FIRM BUSINESS MODEL AND STRATEGY <sup>(1)</sup>



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# Independent Board Leadership and Board Refreshment <sup>(1)</sup>

## 2 FOR: Elect All Director Nominees



**Megan Butler (61)**  
Tenure: 2 Years

- Previously Executive Director at the U.K. Prudential Regulation Authority and the U.K. Financial Conduct Authority



**Erika H. James (56)**  
Tenure: 4 Years

- Currently Dean of the Wharton School of the University of Pennsylvania
- Previously John H. Harland Dean at Emory University's Goizueta Business School



**Douglas L. Peterson (67)**  
Tenure: 1 Year

- Previously President and CEO of S&P Global Inc.



**Thomas H. Glocer (66)**  
Independent Lead Director  
Tenure: 13 Years

- Currently Managing Partner of Angelic Ventures, LP
- Previously CEO of Thomson Reuters Corporation and M&A lawyer at Davis Polk & Wardwell LLP



**Hironori Kamezawa (64)**  
Tenure: 5 Years

- Currently Chairman of MUFG and Director of MUFG
- Previously President and Group CEO of MUFG and Director of MUFG Bank



**Edward Pick (57)**  
Tenure: 2 Years

- Chairman and CEO of Morgan Stanley
- Previously Co-President and Head of Corporate Strategy, and Head of Institutional Securities of Morgan Stanley



**Lynn J. Good (67)**  
Tenure: 1 Year

- Previously Chair, CEO and President of Duke Energy Corporation



**Shelley Leibowitz (65)**  
Tenure: 6 Years

- Currently President of SL Advisory
- Previously Group Chief Information Officer for the World Bank and Chief Information Officer of several financial services firms



**Mary L. Schapiro (70)**  
Tenure: 8 Years

- Currently Vice Chair for Public Policy and Special Advisor to the Founder and Chairman of Bloomberg L.P.
- Previously Chair of U.S. Securities and Exchange Commission



**Robert H. Herz (72)**  
Audit Chair  
Tenure: 14 Years

- Currently President of Robert H. Herz LLC
- Previously Chairman of Financial Accounting Standards Board



**Jami Miscik (67)**  
Ops and Tech Chair  
Tenure: 12 Years

- Currently CEO of Global Strategic Insights
- Previously CEO and Vice Chair of Kissinger Associates, Inc., Global Head of Sovereign Risk at Lehman Brothers, and Deputy Director for Intelligence at the CIA



**Perry M. Traquina (70)**  
Risk Chair  
Tenure: 11 Years

- Previously Chair, CEO and Managing Partner of Wellington Management Company LLP



**Yasushi Itagaki (61)**  
Nominee

- Deputy Chairman of MUFG




**Dennis M. Nally (73)**  
CMD5 Chair  
Tenure: 10 Years

- Previously Chairman of Pricewaterhouse Coopers International Ltd.



**Rayford Wilkins, Jr (74)**  
G&S Chair  
Tenure: 13 Years

- Previously CEO of Diversified Businesses of AT&T Inc.

 = New Director since 2023

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# Independent Lead Director with Robust Responsibilities



## BOARD GOVERNANCE AND LEADERSHIP

- Preside at all meetings of the Board at which the Chairman is not present
- Have the authority to call, and lead, non-management director sessions and independent director sessions
- Help facilitate communication among the Chairman and CEO and the non-management and independent directors, including serving as liaison between the Chairman and the independent directors
- Approve the types and forms of information sent to the Board
- Solicit the non-management directors for advice on agenda items for meetings of the Board and executive sessions to help facilitate Board focus on key issues and topics of interest to the Board
- Be available, if requested, to meet with the Firm's primary regulators
- Be available, if requested by major shareholders, for consultation and direct communication in accordance with the Corporate Governance Policies



## ADVISING THE CHAIRMAN AND CEO

- Communicate with the Chairman and CEO between meetings and act as a “sounding board” and advisor
- Consult with the non-management and independent directors and advise the Chairman and CEO of the Board's informational needs
- Collaborate with the Chairman and CEO in developing the agenda for meetings of the Board
- Approve Board meeting agendas and the schedule of Board meetings to assure that there is sufficient time for discussion of all agenda items
- Have authority to request inclusion of additional agenda items
- Communicate with the Chairman and CEO and other members of management, as appropriate, about decisions reached, suggestions and views expressed by non-management directors in executive sessions or outside of Board meetings



## BOARD EFFECTIVENESS AND SUCCESSION PLANNING

- Lead the annual evaluation of the performance and effectiveness of the Board including consultation with each non-management director regarding Board performance and effectiveness and, as necessary, individual director performance
- Help facilitate the efficient and effective functioning and performance of the Board
- Help facilitate discussion and open dialogue among non-management directors during Board meetings, executive sessions and outside of Board meetings
- Consult with the Chair of the G&S Committee on Board succession planning and Board committee appointments
- Coordinate with the Chair of the G&S Committee on recruiting and interviewing candidates for the Board
- Consult with the Chair of the CMDS Committee on the annual evaluation of the performance of the CEO

# Overview of Shareholder Proposal

## 1 **AGAINST:** Independent Board Chairman – *John Chevedden*

- The Board does not believe in a “one-size-fits-all” permanent and prescriptive leadership mandate that undermines our ability to adapt to changing circumstances. It is in the best interest of the Firm and its shareholders for the Board to have the flexibility to exercise its judgement to determine the optimal Board leadership structure based on applicable facts and circumstances.
- The proposal lacks any empirical evidence that having an independent director serve as Chairman of the Board is in the best interests of the Firm’s shareholders.
- Under our current leadership structure, we have broadly met or exceeded our Firmwide goals and in 2025, the Firm reported record net revenues and net income with strong results across all of our business segments, demonstrating the strength of our integrated firm.
- The proposal fails to recognize the stature of the Board’s Independent Lead Director and our corporate governance practices and policies that ensure substantial independent Board oversight of management and provide a strong, effective counterbalance to the Chairman and CEO.

# Notes

The information provided herein includes certain non-GAAP financial measures. The definition of such measures and/or the reconciliation of such measures to the comparable U.S. GAAP figures are included in this presentation, or in Morgan Stanley's (the 'Firm') Annual Report on Form 10-K, Definitive Proxy Statement, Quarterly Reports on Form 10-Q and the Firm's Current Reports on Form 8-K, as applicable, including any amendments thereto, which are available on [www.morganstanley.com](http://www.morganstanley.com), or within this presentation. The End Notes are an integral part of this presentation.

This presentation may contain forward-looking statements including the attainment of certain financial and other targets, and objectives and goals. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made, which reflect management's current estimates, projections, expectations, assumptions, interpretation or beliefs and which are subject to risks and uncertainties that may cause actual results to differ materially. The Firm does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of forward-looking statements. For a discussion of risks and uncertainties that may affect the future results of the Firm, please see the Firm's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as applicable, which are available on [www.morganstanley.com](http://www.morganstanley.com). This presentation is not an offer to buy or sell any security.

For information and impact of the Firm's acquisitions, please refer to prior period filings of the Firm's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

The statements in this presentation are current only as of their respective dates.

# End Notes

These notes refer to the financial metrics and/or defined terms presented on Slide 3

1. **Return on average tangible common equity ('ROTCE')** represents net income applicable to Morgan Stanley less preferred dividends as a percentage of average tangible common equity. Average tangible common equity represents average common equity adjusted to exclude goodwill and intangible assets net of allowable mortgage servicing rights deduction. ROTCE and average tangible common equity are non-GAAP financial measures that the Firm considers useful for analysts, investors and other stakeholders to assess operating performance.
2. **Net Income** represents net income applicable to Morgan Stanley.
3. **Expense Efficiency Ratio ('Efficiency Ratio')** represents total non-interest expenses as a percentage of net revenues.
4. **Common Equity Tier 1 ('CET1') Ratio** is based on the Basel III Standardized Approach Fully Phased-in rules and is as of year-end.
5. **Total Shareholder Return ('TSR')** represents the change in share price over a period of time plus the dividends paid during such period, expressed as a percentage of the share price at the beginning of such period. **Source:** Bloomberg.
6. **Core Peers** include: Bank of America, Citigroup, Goldman Sachs, JPMorgan, and Wells Fargo.  
**Dividend Yield** represents annualized quarterly dividend per share as of December 31, 2025 divided by share price as of December 31, 2025. **Source:** Bloomberg
7. **Valuation** represents the share price as of December 31, 2025 divided by annual consensus estimates for 2026 as of December 31, 2025. **Source:** Bloomberg

These notes refer to the financial metrics and/or defined terms presented on Slide 4

1. **Earnings per Share ('EPS')** represents diluted earnings per share.

These notes refer to the financial metrics and/or defined terms presented on Slide 5

1. **Total Client Assets** represent the sum of the reported Wealth Management ('WM') client assets and Investment Management ('IM') assets under management ('AuM'). WM client assets represent those assets for which WM is providing services including financial advisor-led brokerage, investment advisory, custody, cash management, and administrative services; self-directed brokerage and investment advisory services; financial and wealth planning services; workplace services, including stock plan administration and retirement plan services. Certain WM client assets are invested in IM products and are also included in IM's AuM.
2. **Regulatory Requirement** includes the regulatory minimum Stress Capital Buffer and G-SIB capital surcharge, as of year-end for each respective year.
3. **Quarterly Dividend Per Share** represents the dividend per share in the fourth quarter of each respective year.

These notes refer to the financial metrics and/or defined terms presented on Slide 6

1. **Institutional Securities Wallet Share** represents the percentage of Morgan Stanley's Institutional Securities ('ISG') segment net revenues to the Wallet. The Wallet represents Investment Banking ('IBD'), Equity Sales & Trading and Fixed Income Sales & Trading net revenues, where applicable, for Morgan Stanley and the following peer set: Bank of America, Barclays, Citigroup, Deutsche Bank, Goldman Sachs, JPMorgan, and UBS. For 2020, the peer set includes Credit Suisse, prior to UBS' acquisition completed in June 2023.

For peers that disclose results between multiple segments, assumptions have been made based on company disclosures. European peer results were translated to USD using average exchange rates for the appropriate period, sourced from Bloomberg.

# End Notes

These notes refer to the financial metrics and/or defined terms presented on Slide 8

1. **Total Firm Net Revenues** across each time period are inclusive of Firm Intersegment Eliminations. Corresponding values for each time period include: -\$714MM in 2025, -\$600MM in 2024, and -\$555MM in 2023.

These notes refer to the financial metrics and/or defined terms presented on Slide 9

1. **Firmwide Goals**, The attainment of these objectives assumes a normal market environment and may be impacted by external factors that cannot be predicted at this time, including but not limited to geopolitical, macroeconomic and market conditions and future legislation and regulations and any changes thereto. Please also refer to the Notice on Slide 21 of this presentation.
2. **Wealth Management Pre-Tax Margin** represents income before provision for income taxes as a percentage of net revenues.

These notes refer to the financial metrics and/or defined terms presented on Slide 10

1. Share prices pulled as of 12/31/2024 and 12/31/2025 to calculate 1-year TSR.
2. Share prices pulled as of 12/31/2022 and 12/31/2025 to calculate 3-year TSR
3. Share prices pulled as of 12/31/2020 and 12/31/2025 to calculate 5-year TSR

These notes refer to the financial metrics and/or defined terms presented on Slide 17

1. Data and metrics are as of the date of the annual meeting and are based on information self-identified by each director nominee.

These notes refer to the financial metrics and/or defined terms presented on Slide 18

1. Director ages and tenures are as of the annual meeting date. For a detailed description of each director's professional experience and qualifications, skills and attributes, see "Director Nominees" of the 2026 Proxy Statement.