IMPORTANT INFORMATION FOR INVESTORS
COMPLEX FINANCIAL PRODUCT

For a responsible investment you need both to know its implications and to accept them.

CFD
"CONTRACT FOR DIFFERENCE"

COMPLEX FINANCIAL PRODUCT

DIF Broker – Sociedade Financeira de Corretagem, S.A.

with adress at Rua Antonio Cardoso, nº 613/8, 4150-083 Porto

Specific warnings for Investors:

This complex financial product:

- **Can result in the sudden loss of all your invested capital or even exceed the initial capital;**
- **Can provide null or negative return;**
- **It is subject to the credit risk of DIF Broker and its Counterparty, Saxo Bank A/S;**
- **Obliges to pay costs, commissions or other expenses;**
- **Is subject to potential conflicts of interest arising from the activity of the calculation agent and Saxo Bank A/S acting as counterparty of DIF Broker;**
- **Is not equivalent to the acquisition or initial trading of the underlying assets;**
- **The investor's position can be closed at any time by DIF Broker.**

After the careful reading of the warnings mentioned in the above table, please handwrite the following sentence: **"I am aware of the warnings"**, date and sign.

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Date:______/______/_______ Client's Signature: ______________________________

Description of the Product's Key Characteristics

CFDs (Contract for Difference) are derivative financial instruments traded on an OTC or non-regulated market that allow investors to use financial leverage to hedge or speculate on the price variation of an underlying asset, thereby replicating the their behavior.

The underlying assets of the CFDs may include various stocks, stock market indices, exchange traded funds, commodity futures (eg oil, gold, silver), bond futures and currency futures.

CFDs are the subject of an exclusively financial settlement which is calculated by the difference between the initial price (opening of the position) and the final price (closing of the position), multiplied by the number of instruments and therefore no delivery / receipt of financial instrument that constitutes the underlying asset.

The price of CFDs on shares, indexes or other financial instruments, the underlying asset of which may be subject to equity events, such as dividends, capital increases or reductions, stock splits and reverse stock splits, shall take into account the effect of the corporate events associated with underlying asset. For example, in the case of dividend distribution, the investor who has a long position will be credited for the amount corresponding to the net dividend. The investor who has a short position will be debited by the amount corresponding to the gross dividend. Other events, such as capital increases or decreases, stock splits and reverse stock splits, will also have an impact on the investor's account as described in the pre-contractual account opening document in DIF Broker http://www.dif.pt/web/en_gb/kid

In the case of dividend distribution of an index constituent share, there shall be an adjustment to the investor's account in the applicable proportion of the security to the index, except where the CFD itself adjusts the payment of dividends, such as CFDs on Total Indices Return.

CFDs do not give to the investor corporate rights over the issuer of the shares that serve as the underlying asset, and investors are unable, for example, to participate and vote in the deliberations at a general meeting of shareholders, exercise the right of potential divestment, to benefit from the right of potestative acquisition, among others.
Given that CFDs are a product that uses financial leverage, maintaining positions beyond the day itself will result in the payment or receipt of interest depending on the type of transaction (long or short). Interest is calculated daily between the opening day and the closing day of the operation, and are debited monthly.
If the transactions are closed on the same day (day-trade), there will be no place to pay or receive interest. Customer's orders are always settled according to the FIFO ("First In - First Out") criterion, unless you enter conditional related orders into your account or sub-account, in which case you will be charged a roll-over cost, or a cost of financing, depending on the derivative financial product that has been traded.
The opening of a position implies that the investor has always and previously available the necessary margin.
When a position is opened, the investor will no longer have available the amount relating to the margin, which corresponds to a percentage of the value of the position.

1. How much, when and in which situations the investor pays or is bound to pay?

If the closing value of a position exceeds the opening value, the investor who has a short position should pay the amount corresponding to the difference between the closing value and the opening value of the position.
• If the closing value of a position is lower than the opening value, the investor who has a long position should pay the amount corresponding to the difference between the opening value and the closing value.
• It will also pay in the event of taxation arising from non-equity or accounting events, e.g. mergers or acquisitions processes, company spin-offs, among others.

The open position in a CFD held for more than one day results in a charge charged to the investor in the following terms:

• In the short CFD positions on stocks, indices or ETFs held for more than one day, the difference between the benchmark interest rate of the asset currency (eg LIBID) and the spread is charged. Short CFD positions assume a borrowing cost of securities which depends on the interest rate attributed by the lender of the securities and the difficulty in obtaining securities for the loan.
• Long CFDs on equities, indices or ETFs held for more than one day are charged a financing cost equal to the reference interest rate of the currency of the relevant asset (eg LIBOR) plus a spread.

Equity events may result in increased exposure to the underlying asset and consequently additional margin requirements. This is the case, for example, in a capital increase event, in which the investor decides to follow it in order to avoid dilution of its position, thus increasing the exposure to the asset.
In CFDs that have indices as the underlying asset, called the "price return" (indices that do not automatically adjust the dividend payment), the CFD price adjustment is done by the number of points that the index must be adjusted to reflect the shares which enter into an ex-dividend situation. This adjustment is credited in the case of long positions and debited in the case of short positions. In the short CFD equity and ETF positions, a cost of securities lending is charged, which is dependent on the liquidity of inancial instruments, and may even be nil for highly liquid instruments.

2. How much, when and in which situations the investor receives or may receive?

- If the closing value of a position is higher than the opening value, the investor who holds a long position (i.e., who buys a financial instrument) will receive the amount corresponding to the difference between the position's closing and opening value.

- If the closing value of a position is lower than the opening value, the investor who holds a short position (i.e., who sells a financial instrument) will receive the amount corresponding to the difference between the position's closing and opening value.

The open position in a CFD, held for more than one day, may result in the credit of a value corresponding to the financial profit calculated in the following terms:

- In CFD short positions on stocks, indices or ETFs held for more than one day, the investor is credited for the difference between the reference currency rate of the asset currency (eg LIBID) and the spread, which will occur only when LIBID is higher than the spread. The applicable spreadsheet can be consulted on the trading platform under "Trading Conditions", submenu "CFD Financing Conditions".

The corporate events of the underlying assets may determine the receipt or payment of funds by the investor, dealing with long or short positions respectively, as for example in the distribution of dividends. If the investor has a short position, an adjustment charge corresponding to the gross dividend will be made, adversely affecting his position.

3. When, how and in which circumstances will the investment terminate or may terminate?

The investment in a particular CFD ceases with the closing of the position, which may occur:
(i) on the initiative of the investor, within the trading hours of the markets, and closing the position will always depend on the availability / existence of the trading price distributed on the trading platform;
(ii) at the initiative of DIF Broker, whenever the use of margin is equal to or greater than 75% (initial margin / portfolio value);
(iii) at the initiative of DIF Broker, in case the underlying asset is no longer admitted to trading, and in case of exclusion, the amount receivable may be zero;
(iv) in the terms described in the general contractual rules established by DIF Broker, namely, when the market maker requires and the counterpart of DIF Broker, for reasons of risk or force majeure, in the event that DIF Broker is unable to contact the investor or if there is a material change in which it is concluded that trading in derivative financial instruments is no longer appropriate for the investor.

Financial Leverage

Leverage is one of the characteristics of CFDs that can generate sudden (very high) losses in a short period of time, partial, total or superior to the invested capital. The effect of financial leverage may result in gains or losses greater than the change in the price of the underlying asset concerned, allowing for greater exposure to this asset than direct investment in the asset.

Leverage trading is carried out through the margin reserve, which implies that the investor, in order to open a position, deposits with DIF Broker an amount corresponding to a percentage of the total value of the investment, which varies according to the underlying asset (see margins under "Trading Conditions") "List of Index Instruments / CFD Shares").

In the trading box of the instruments themselves it is possible to simulate the margin required.

For example, in a CFD under the XPTO title quoted at € 10, whose required margin is € 1,000 for a € 5,000 exposure, the following scenarios may occur:

Scenario 1) The XPTO title rises 5% to 10.50 euros. The result is +250 euros [(10,50-10) * 500], translating into a result of + 25% (250/1000).
Scenario 2) The XPTO title falls 5% to 9.50 euros. The result is -250 euros [(9,50-10) * 500], translating into a result of -25% (-250/1000).

As an example, the use of leverage can lead to substantial losses in a portfolio, so the investor should pay particular attention to using derivative financial instruments.

Margin reinforcement

The investor has access to information about the level of his margin through the trading platform, in particular on the need to strengthen the value of his account.

If margin funds are insufficient as a result of the valuation or devaluation of open positions, DIF Broker will require a margin reinforcement, which may be done through additional allocation of funds to the margin account or reduction of market exposure at the initiative of the investor by closing positions.

When the margin usage, given by the ratio between the initial margin and the portfolio value, is equal to or greater than 75%, the investor receives electronic notices through the DIF Freedom Platform, which needs to reinforce the margin.

For an investment in a single asset, the margin use is given by the ratio:

Usage of margin = (initial margin) / (portfolio value)

where the value of the portfolio corresponds to the value of the spot market positions plus cash, of realized or unrealized gains or losses on financial instruments traded at margin, of unrecognized transactions, less the foreseeable costs of closing open positions.

If the investor does not reduce the exposure and / or reinforce the portfolio value by means of a reinforcement of funds, whenever the use of margin exceeds 75%, DIF Broker may terminate immediately and without prior notice each and every one of the positions, applying in this case the First In First Out (FIFO) criterion. If the amount of the margin use is equal to or greater than 100%, all margin positions shall be automatically terminated, unless there is an unpredictability of a technological nature, in which case automatic foreclosure shall remain pending until the system is standardized unless the DIF market hall Broker is able to request the closing of the positions by telephone to the Saxo Bank. In these circumstances and in respect of each of the closed positions, the investor will receive or pay the amount equivalent to the difference between the opening price of his position and the closing price of the position.
If the investor does not reduce the exposure and / or reinforce the portfolio value by means of a reinforcement of funds, whenever the use of margin exceeds 75%, DIF Broker may terminate immediately and without prior notice each and every one of the positions, applying in this case the First In First Out (FIFO) criterion. If the amount of the margin use is equal to or greater than 100%, all margin positions shall be automatically terminated, unless there is an unpredictability of a technological nature, in which case automatic foreclosure shall remain pending until the system is standardized unless the DIF market hall Broker is able to request the closing of the positions by telephone to the Saxo Bank. In these circumstances and in respect of each of the closed positions, the investor will receive or pay the amount equivalent to the difference between the opening price of his position and the closing price of the position.
Given the volatility of the financial markets and the leverage effect provided by the CFDs, it may not be possible for the DIF Broker to send alerts prior to the margin reinforcement to the automatic closing of the positions, and the investor should permanently monitor the margin usage levels or not use any type of leverage.

Price Fixing and other information

The price and currency of trading of CFDs on equities / ETFs, currency futures, commodities, bonds, among others, is made available by DIF Broker with reference to the market quotation where the underlying asset trades.
The CFD is traded on the OTC market and is therefore subject to the liquidity risk below identified best, not with standing the price at which it is traded as a reference and formed based on the price of the best purchases and the best offers of the underlying asset plus the spread practiced by the market maker.

The investor can consult the financial instruments table under the trading conditions available on the platform, where you can find information applicable to each CFD, including exposure limit, spread, required margin, minimum lots, among other information.
If Libid or Libor rates are negative, they will be considered 'zero' for the purpose of calculating the cost of leverage. The investor will have to bear the spread, and the negative rate is not reflected in this calculation.

Major Risk Factors	
Market Risk	Investing in CFD carries the risk arising from the appreciation/depreciation of the underlying asset, resulting from fluctuations in exchange rates, interest rates and shares, commodities or indices' prices, which may have direct impact on the CFD price and valuation.
Capital Risk	Investing in CFD carries the risk arising from the outstanding return, which may be lower than the invested capital or even exceed the invested capital, since CFD are derivatives that allow the investor to leveraged his/her exposure to underlying assets. The effect of financial leverage leads to gains or losses greater than the variation in the underlying asset price, meaning the investor will have a greater exposure to this asset compared to the direct investment he/she has made in it and which may also result in higher losses.
Credit Risk	Investing in CFD carries the credit risk from: • DIF Broker - arising from the possibility of non- compliance with the obligations resulting from the intermediation activity (brokerage) in the event of bankruptcy or insolvency; • The Counterparty, Saxo Bank, regarding the funds the investor is entitled to receive when his/her CFD position is closed with gains or losses in the event of bankruptcy or insolvency.
Counterparty Risk	Investing in CFD carries the risk arising from the Counterparty's failure to comply with its obligations, which may result in the CFD's loss of value, though the movement of the underlying asset prices may evolve in a favourable direction for the investor.
Interest Rate Risk	Investing in CFD carries the risk arising from adverse movements in interest rates that will affect the CFD's profitability in the above-mentioned terms regarding the financial benefit/cost of maintaining a position in CFD for more than one day. In the specific case of CFD interest rates, it also bears the negative impact on profitability arising from the fluctuations in that price.
Currency Risk	Investing in CFD, as in any financial instrument, carries the currency risk since it is denominated in a foreign currency, whose depreciation may affect the CFD' value. Investing in Forex CFD also carries the risk of negative impact on the CFD' profitability resulting from adverse movements in the relevant exchange rates.
Liquidity Risk	On certain circumstances, and due to the lack of liquidity in the markets, it may be impossible to close a position in a particular moment in time or its closing may imply significant losses.
Conflict of Interest Risk	Investing in CFD carries a conflict of interest risk, namely because the transaction Counterparty and calculation agent are the same, i.e., Saxo Bank, which is also responsible for defining the prices (bid/ask) introducing adjustments and decisions which may influence payments related to those transactions.
Legal and Tax Risk	There might be changes in the legal regime applicable to taxation, transmission, exercise of rights, among others, whose consequences may affect the CFD' profitability.
Technical Risks	Investing in CFD carries risks related to access to the trading platform and information on the CFD prices, which may be temporarily unavailable due to technical problems on DIF Broker-Sociedade Financeira de Corretagem, SA trading platform. In addition, these operations involve operational risks arising from the automatic processing of transactions, i.e., the risks associated with the use of electronic platforms for trading, particularly risks related to the use of software and telecommunication systems such as bugs, delays in telecommunication systems, service disruptions, errors in disclosure of data and network security breaches.
Automatic Closing positions risk	Investment in CFD has the risk of automatic closing of positions, including but not limited to the use of the margin, given by the ratio between the initial margin and the portfolio value, equal to or greater than 75%, in which case the DIF Broker you can immediately terminate all positions without notice. It should be emphasized that due to the volatility of the financial markets and / or events of their disruption and / or depth of the market (buy or sell orders available in the market), and the leverage effect provided by CFDs, DIF may not be possible Broker to automatically close the positions at the price at which the automatic closing was triggered, and the investor should be aware that the losses that result from the automatic closing of the positions at the available price may be much higher than the amount available in the account, the total amount of the account itself becomes negative.
There may be other risk factors with direct and relevant impact on capital and CFD profitability	
Scenarios and Probabilities	

The worst-case scenario: The investor may incur unredeemable losses and may even lose more than invested. In the case of a long position, the loss will be more pronounced the greater the decrease in the price of the underlying asset between the time of opening and closing of the position. In the case of a short position, the loss will be more pronounced the higher the price of the underlying asset rises between the time of opening and the close of the position. **The best-case scenario**: the Client may incur gains that are not determinable. In case of a long position, the higher the underlying asset price the greater the gain between the opening and closing of position. In case of a short position, the lower the underlying asset price the higher the gain between the opening and closing of position(s).	
Expenses	
According to the pricing conditions agreed with the Client, he/she may consult the maximum prices applicable at: http://www.dif.pt/web/en_gb/pricing, or on the regulator's website CMVM. The pricing conditions may be changed, according to legal terms.	
Other Information	
Supervisory Authorities	CMVM - Comissão do Mercado de Valores Mobiliários (http://www.cmvm.pt/en/Pages/homepage.aspx), is the supervisory authority with scope of authority/competency to supervise the sale of complex financial products.
Complaints	All questions arising from trading on Platforms will be addressed to **DIF Broker-Sociedade Finan- ceira de Corretagem, SA**, which is compelled to analyse and find all solutions to problem by mail, in person or by any other means of electronic communications. The investor may also file the complaint with the CMVM - Comissão do Mercado de Valores Mobiliá- rios - through its website (http://www.cmvm.pt/en/Pages/homepage.aspx) or use the toll free line on 800 205 339.
Trading Company	**DIF Broker-Sociedade Financeira de Corretagem, SA**, with the address at Rua Antonio Cardoso 613/8, 4150-083 Porto - Portugal
Calculation Agent	**Saxo Bank A/S**, with the address at Phillip Heymans Allé 15, 2900 Hellerup, Denmark
Custodial Institution	DIF Broker is solely responsible to the investor for all matters relating to trading on the platform, Saxo Bank acting as market maker and counterpart of DIF Broker, which is also exposed to the risk of Saxo Bank. The counterparty risk of Saxo Bank, as custodian, arises from the possibility that it will fail to comply with its commitments, which may imply the total or partial loss of the value of the CFD, even if the movement of the underlying asset price favorable to the investor

Tax Regime Applicable	The result (positive or negative) arising from the closing of a position in CFD may be considered as capital gain or capital loss for tax purposes, regardless of the nature of the underlying asset or the assumed position (long or short). **1. Resident Individuals** Capital gains and losses in CFD are used to calculate your annual gain/loss balance subject to Personal Income Tax at a special rate of 28%, with the possibility of its inclusion in net income at the holder's option, registered as a tax resident in Portuguese territory. Tax Deducted at Source does not apply. **2. Resident Companies** Income or expenses resulting from the application of the fair value accounting to the positions opened by legal persons in CFD contribute (positively or negatively) to calculate the gains subject to Corporate Income Tax. Non-residents - IRS / IRC Exemption from capital gains. The information provided reflects the current tax regime, which may be updated or modified.
Right of Termination	At any time, with or without notice, under the terms and situations provided for in the Registry and Deposit Contract General Conditions, the General Risks associated to Trading and the Derivatives Trading and Risk Management.
Market Trading Hours	CFD trading hours follow the same schedule as the markets where the underlying assets are traded. Each underlying asset has its own trading schedule.
Trading Platform	The product traded by **DIF Broker-Sociedade Financeira de Corretagem, SA** through the electronic platform DIF Freedom, in which **DIF Broker-Sociedade Financeira de Corretagem, SA** provides the service of reception and automatic transmission of orders for execution by the Counterparty, is governed by the order execution policy of the Counterparty, which may be consulted at: https://www.home.saxo/legal/ Historical records of the underlying assets may be consulted at: http://www.dif.pt/web/en_gb/dif-freedom-web All questions related to orders placed should be addressed to **DIF Broker-Sociedade Financeira de Corretagem, SA**, which is obliged to analyse and find all solutions to problem, as above in the Complaints Section.
Consultation Documents	In addition to this informative document, you should also consult other supporting and relevant documents available at the websites of **DIF Broker-Sociedade Financeira de Corretagem, SA** (http://www.dif.pt/web/pl_pl/home) and CMVM (http://www.cmvm.pt/en/Pages/homepage.aspx), as well as those that go beyond the order execution policy, available at: https://www.dif.pt/c/document_library/get_file?folderId=21496&- name=DLFE22801.pdf
Institution Responsible for the Elaboration of IFI	**DIF Broker - Sociedade Financeira de Corretagem, SA**, with address at Rua Antonio Cardoso 613/8, 4150-083 Porto, Portugal

The present document was drawn up on 30/08/2016 and updated on 08/08/2018, and is available at http://www.cmvm.pt/en/Pages/homepage.aspx

If confirmed, please handwrite the following sentence: **"I have received a copy of this document prior to the acquisition or initial transaction"**, date and sign.

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Date:______/______/______ Client's Signature: ______________________________