US Shares Dividend Policy

Introduction

SCFM Limited, trading as Scope Markets Kenya, is a limited liability company, registered in Kenya and regulated by the Capital Markets Authority, Kenya as a non-dealing online foreign exchange trading broker, license number 123 and a Derivatives Broker, license number 143.

The Company offers Financial Instruments for trading in the MT5 platform to its clients. More specifically, the Company offers Contracts for Differences ("CFDs"). A contract for differences (CFD) is an arrangement made in financial derivatives trading where the differences in the settlement between the open and closing trade prices are cash-settled. There is no delivery of physical goods or securities with CFDs. The available CFDs to the Company's clients are FX Pairs, Energies, Metals, Shares and Indices.

Dividends

When the Company's Clients are trading Shares and Indices, their trading is subject to dividends. Long positions receive dividends while short positions pay dividends.

In order to receive the dividends, clients must hold a CFD position in respect of the relevant equity or index on the ex-dividend date. The ex-dividend date is the day the stock starts trading without the value of its next dividend payment. Typically, the exdividend date for a stock is one business day before the record date, meaning that an investor who buys the stock on its ex-dividend date or later will not be eligible to receive the declared dividend.

If a share goes ex-dividend, long positions will be credited and short positions will be debited with a cash adjustment for positions held in the share at rollover. Dividends shall be credited or debited from the Client's Balance outside the underlying share's trading hours and before the opening of the share's next trading day.

Even if the CFD is sold at any point after the market opens on the ex-dividend date, the Client will still receive the dividend payment. The equity and index markets may be

subject to a dividend adjustment as to reflect that the underlying asset will open at a lower level post-dividend date Ex-dividend will be credited or debited on positions.

The Formula for dividends is the following: d= p x n (d=dividend, p=position, n=dividend declared). For example, if a client opens a Buy position on 1,000 shares of Amazon (AMZN), with a dividend declared at 2p, the calculation is d=1,000 x 0,02 = USD 20 (credited).

Taxation

The US tax regulations govern payments of U.S Source, fixed determinable, annual or periodic ("FDAP") income. FDAP income includes all income except Gains from the sale of personal property, and items of income excluded from gross income (e.g., tax exempt municipal bond interest).

FDAP income is subject to 30% withholding tax at source on payments to non-US persons unless either a statutory exemption (such as the portfolio interest exemption) or a double tax treaty applies. Kenya does not have a double tax treaty with the United States of America. That means that non-US Clients who trade CFDs on US stocks are subject to 30% withholding tax.