

Tokenisation Explained

A practical guide for UK public-company issuers

What is tokenisation?

Tokenisation is the **digital representation of ownership**, using modern market infrastructure (including Distributed Ledger Technology (DLT)).

Tokenised securities remain subject to applicable securities laws and regulatory frameworks.

For issuers, **tokenisation may enhance how ownership, governance and investor engagement are managed**, while maintaining the trusted functions of the registrar, transfer agent and official ownership record.

What it is vs what it is not

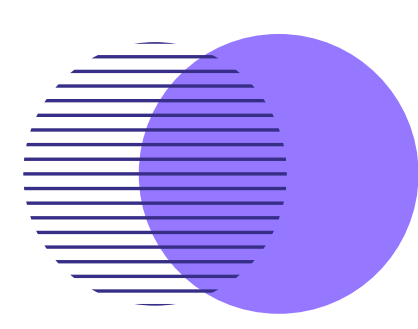
What tokenisation is

- ✓ A digital representation of ownership or entitlement.
- ✓ Built on modern infrastructure (including blockchain/DLT).
- ✓ A way that may enhance visibility, transfer processes and servicing when aligned with the official ownership record.

What it is not

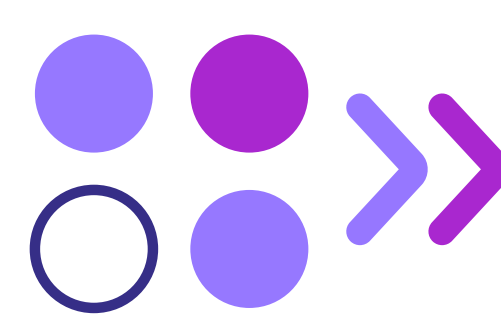
- ✗ Does not replace securities laws.
- ✗ Does not remove shareholder rights.
- ✗ Does not bypass governance or regulatory oversight.
- ✗ Does not eliminate the need for accurate records, the registrar or transfer agent, or the official register.

What issuers may need to consider



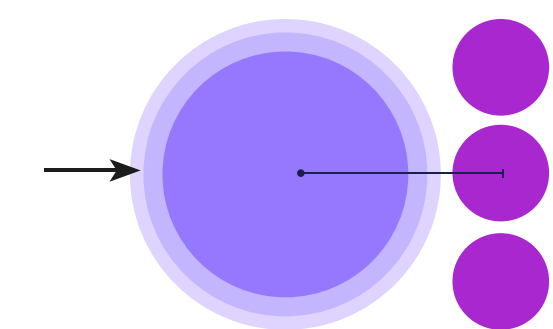
Potential for clearer ownership visibility

Potentially improve visibility of share ownership and how it changes over time.



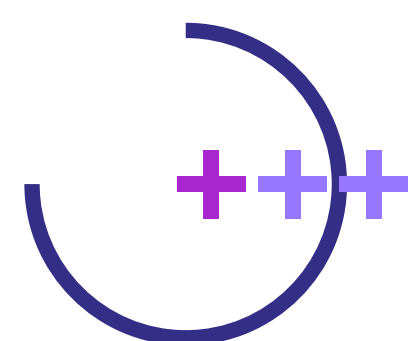
Potential for faster settlement and transfer

May help reduce delays and operational friction, depending on market structure, regulation and implementation.



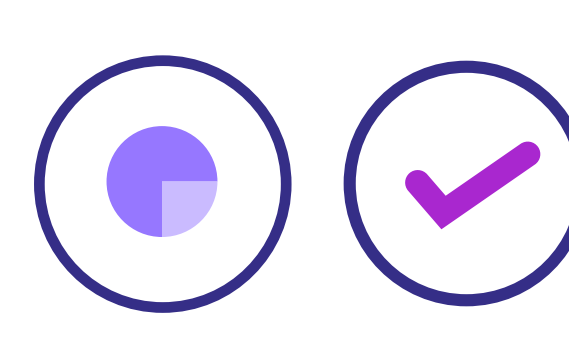
Potentially more efficient corporate actions

May support more efficient processing of dividends, voting and related corporate action workflows.



Stronger shareholder engagement

May support more direct communication with verified holders, where permitted by the model and applicable regulation.



Potential broader access

Could help lower some barriers to investor participation over time.

How the model works

(Tokenised models would need to align three core layers)

Tokenised representation

Digital representation of ownership or entitlement moving across modern infrastructure, aligned to the official record.

Governance & servicing

Voting, dividends, corporate actions, compliance, communications.

Official ownership record

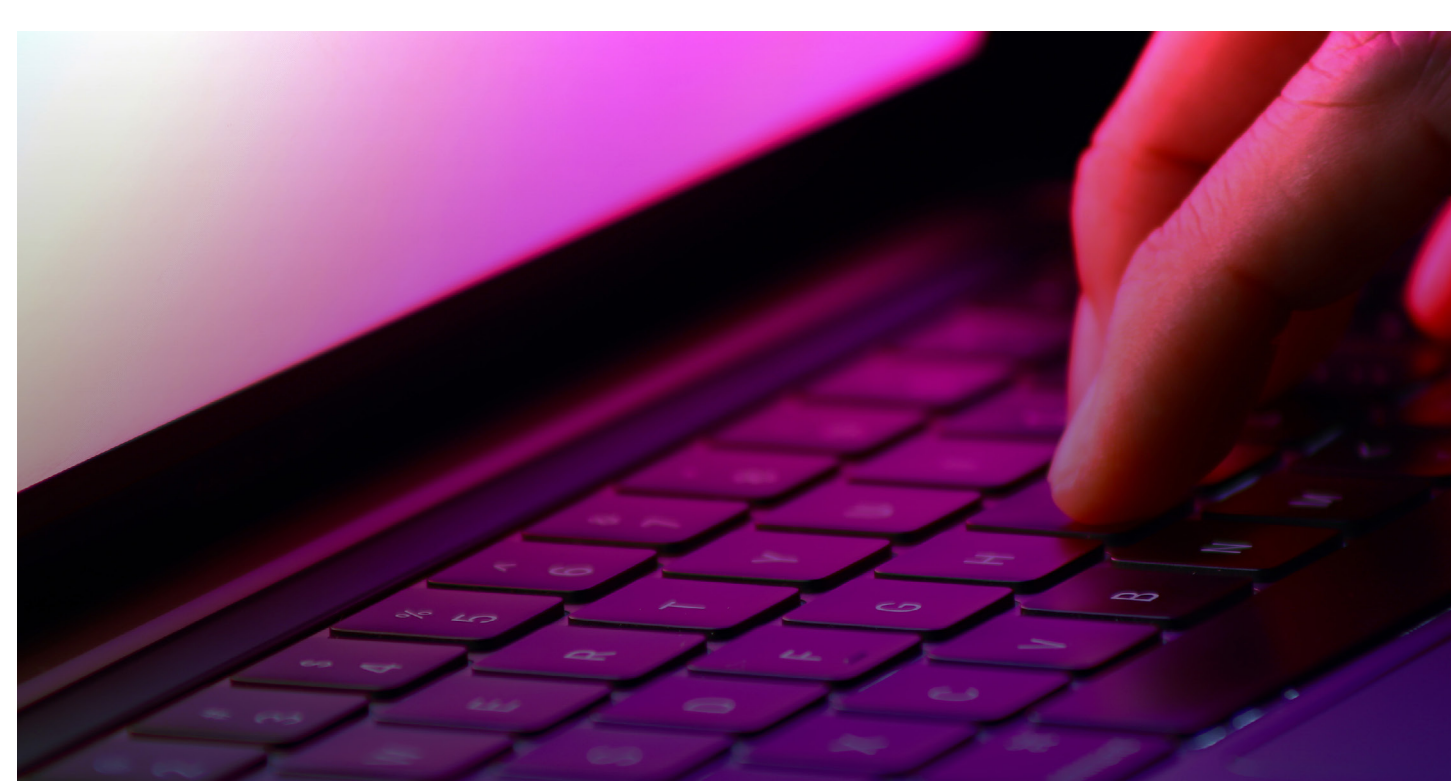
The authoritative register, maintained through the registrar or transfer agent model, that establishes legal ownership and rights.

Key questions for issuers

- ✓ Do we have clear visibility of our ownership today?
- ✓ How would voting and corporate actions work in a digital model?
- ✓ How would tokenised records, the registrar/transfer agent and the official register stay aligned?
- ✓ Could this support improved investor engagement over time?

Want to talk through these? Contact your EQ relationship manager for further information.

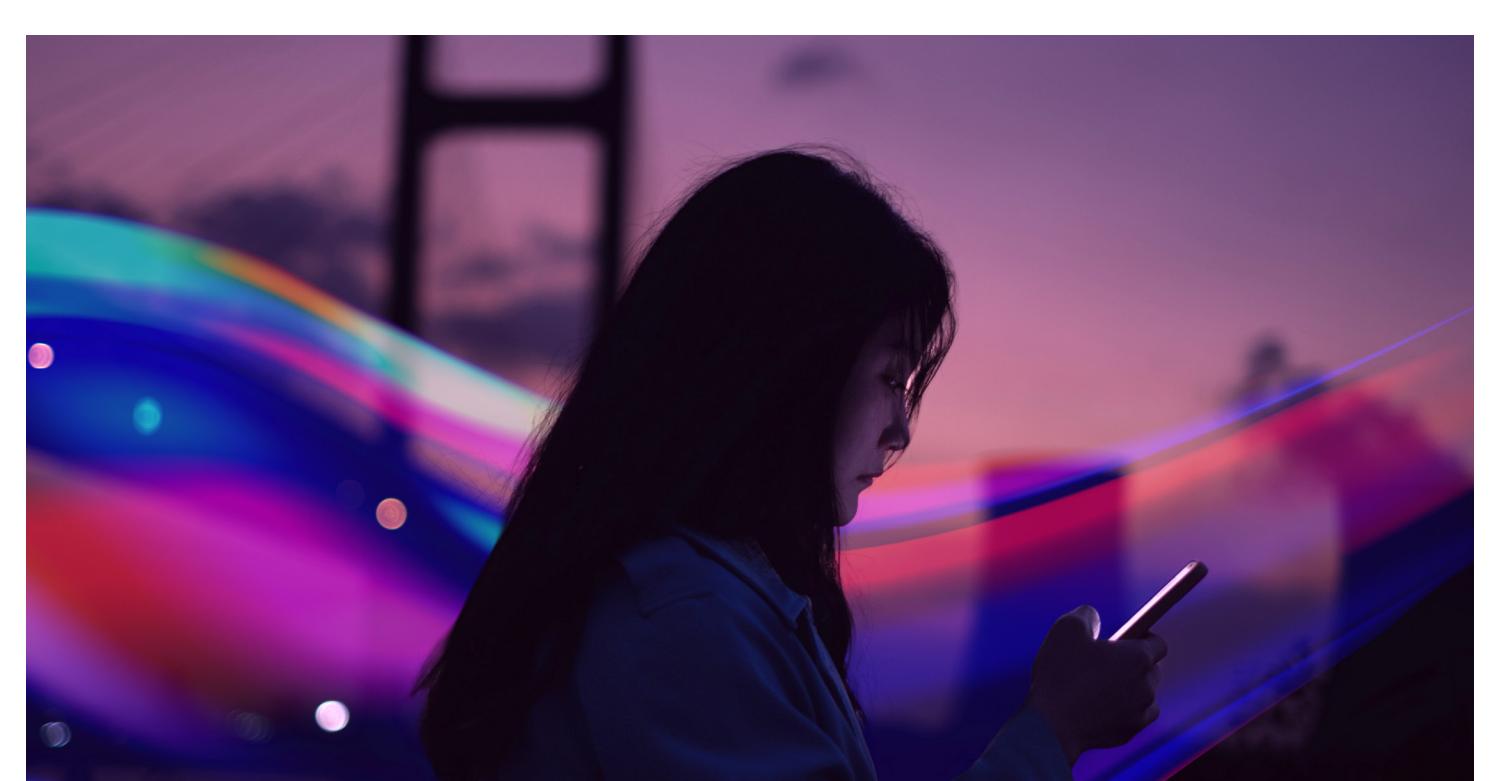
What remains essential



Trusted infrastructure



Accurate official records



Protected shareholder rights
Continuing registrar/transfer agent oversight

The future of ownership may become more digital, but for issuers the foundation remains the same: trust, governance, compliance, protected shareholder rights and confidence in the official register.