Direction

To: London Stock Exchange plc (the "firm")

FRN: 207386

Of: 10 Paternoster Square
London
EC4M 7LS
UNITED KINGDOM

Date: 31/07/2026

Handbook Version as in force at the date of this direction and guidance

Powers

1. This direction is given by the Financial Conduct Authority ("FCA") under regulation 14(8) (Making of FCA rules) of the Financial Services and Markets Act 2023 (Private Intermittent Securities and Capital Exchange System Sandbox) Regulations 2025 (the "Pisces sandbox regulations").

2. In this direction the FCA also gives guidance to the firm under section 139A (Power of the FCA to give guidance) of the Financial Services and Markets Act 2000.

Duration

3. (1) This direction and guidance take effect on 31 July 2026.

(2) This direction and guidance cease to have effect on 5 June 2030 (or, if later, the date specified in the Pisces sandbox regulations, on which those regulations cease to have effect).

Rules modified

4. The FCA directs that:

(1) the rule in PS 3.2.1 applies to the firm with the modifications to the rule in PS 3.2.2 shown below;

(2) the rule in PS 3.2.2 applies to the firm with the following modifications (underlining indicates new text and striking through indicates deleted text):

PS 3.2.2 These rules must ensure that:

[...]

(2) a *Pisces company* may not restrict an investor from participating in a **Pisces trading event** to sell their *shares* unless the restriction is imposed for the purposes of promoting or protecting legitimate commercial interests of ~~that is consistent with existing contractual obligations applicable to the investor as a qualifying individual (as defined in regulation 6 of the Pisces sandbox regulations) in relation to~~ the *Pisces company*; and

[...];

(3) the market risk warning in PS 3.7.1 is modified by adding the following words as a new paragraph, after the paragraph that ends "Companies will need to explain how they have determined these values and you should consider whether you think their price parameters are reasonable before trading their shares." (the text is all new and not underlined):

"PISCES companies may restrict investors from selling their shares where the restriction is for the purpose of promoting or protecting the legitimate commercial interests of the company. You will not be able to sell your shares via this platform in future if the company in which you invested decides to restrict you from participating in a PISCES trading event, on this basis."

and the firm must ensure that the link to the market risk warning referred to in the risk summary in Annex 1 to Chapter 5 of the PISCES Sourcebook, is to the market risk warning as modified by this paragraph.

5. The modifications in paragraph 4 are subject to the condition set out in paragraph 6 below.

Conditions

6. The modifications in paragraphs 4(1) and (2) are granted subject to the condition that the firm must:

(1) take reasonable steps to satisfy itself that the restriction:

(a) is in the legitimate commercial interests of the *Pisces company*; and

(b) would not have an adverse impact on the integrity of the firm's *Pisces*; and

(2) have effective arrangements for monitoring and enforcing compliance with its rules insofar as they set out the criteria by which a *Pisces company* can restrict an investor from such participation.

Guidance given

7. The FCA gives the following guidance:

(1) the guidance set out in PS 3.2.4 should be read and applied in light of the modifications given in this direction and guidance;

(2) in taking reasonable steps to satisfy itself that a restriction on participation in a **Pisces trading event** is either in the legitimate commercial interests of the *Pisces company* or would not have an adverse impact on the integrity of the firm's *Pisces*, for the purpose of the conditions in sub-paragraph 6(1)(a) and (b) above, the firm may have regard to information or advice provided by or on behalf of the *Pisces company*; and

(3) in taking reasonable steps to satisfy itself that a restriction on participation in a **Pisces trading event** would not have an adverse impact on the integrity of its

Pisces, for the purpose of the condition in sub-paragraph 6(1)(b) above, the firm may have regard to whether the restriction is proportionate in relation to the purpose of promoting or protecting the legitimate commercial interests of the *Pisces company.*

Definitions and Interpretation

8. In this direction and guidance:

"condition" means a condition under regulation 14(9)(a) of the Pisces sandbox regulations.

"direction" means a direction under regulation 14(8) of the Pisces sandbox regulations.

"Handbook" means the Financial Conduct Authority's Handbook of rules and guidance and, for the avoidance of doubt, includes the PISCES Sourcebook.

"PISCES Sourcebook" means the Annex to the Private Intermittent Securities and Capital Exchange System (Pisces) Instrument 2025 (FCA 2025/20).

"rule" has the meaning given by section 417(1) of the Financial Services and Markets Act 2000, as modified by Part 1 of Schedule 1 to the Pisces sandbox regulations.

9. Unless specified otherwise, interpretative provisions (including definitions) of the Handbook (including, for the avoidance of doubt, interpretative provisions (including definitions) of the PISCES Sourcebook) apply to this direction and guidance in the same way they apply to the Handbook (regardless of whether or not an expression with a defined meaning appears, in this direction and guidance, in italics or in bold).

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