

Dear Customer,

This is with reference to the Clause 9.7 (e) of Chapter 09 of PSX Regulations, wherein a “Second Level” password to enhance security of an online system is required. Foundation Securities (Private) Limited will implement a “Second Level” password from February 28, 2018 to access your online account to comply with the said Regulation.

For your quick review, screenshot of the said Regulation is as under:

9.7. INFORMATION AND INFRASTRUCTURAL SECURITY MEASURES:

The Broker providing IBTS shall ensure that:

- (a) The internet trading system is in compliance with the information security policy of the Exchange and the service provider/Broker.
- (b) The encryption technology applies for all client orders entered into the system and for all other confidential information the system is capable to uniquely identify each client of the Broker. For this purpose, appropriate technical and administrative controls are also implemented to protect the clients against identity theft and related compromises.
- (c) Firewalls are in place to prevent intrusions by unauthorized persons. The firewall policy shall be adequately defined, maintained and reviewed periodically.
- (d) The system is configurable to allow auto-logout in case of inactivity of the trading terminal and/or the trading website.
- (e) Implementation of first and second level passwords and PIN requirement at order placement level are implemented.**
- (f) Functionality of automatic expiry of passwords at the end of a reasonable duration and re-initialization of access on entering fresh passwords are implemented.
- (g) All transaction logs with proper audit facilities are maintained in the system.
- (h) Appropriate technical controls are in place against:
 - (i) Presentation of incorrect data, intentionally or malevolently;
 - (ii) False presentation or the use of incomplete information for transactions;
 - (iii) Manipulation of any data;
 - (iv) Viruses/Malware, leading to any loss of data, unauthorized access to data, or threat of unavailability of systems;
 - (v) Cyber extortion (distributed denial of services/distributed agent-based attacks).

You are requested to read the “**Second Level Password Guide**” attached for your ready reference.

In case of any queries, please feel free to contact us.

We look forward to your continued patronage.

Regards,