

Affected Clauses in the Business Net Banking Services Agreement (“Agreement”)

The following changes will be effective on and from 24 December 2011 (“Effective Date”):

- I. The following interpretation is inserted into the Clause 1.1 of the Agreement.

"One-time Password (OTP)"

means a randomly generated password, valid for a particular transaction only, which will be transmitted to the Customer Delegate(s) in accordance with Clause 3.6 for the purpose of additional security verification, as a means of identifying the Customer Delegate(s) when he instructs the Bank to effect certain Transactions.

- II. The interpretation of “**Transactions**” in the Clause 1.1 of the Agreement is deleted in its entirety and replaced by the following:

"Transactions"

means any deposit, transfers, withdrawals, placements of fixed deposits or remittances of funds or currency, trading of stock, securities, notes, bonds, futures and financial instrument, documentary credit applications or amendments, payroll services or other transactions between, or (as the case may be) involving the operation of, the Accounts and any other accounts whether held with the Bank or any other bank, carried out through the Website or using the Business Net Banking Services as the Bank may provide from time to time. While the Customer Delegate instructs the Bank to effect certain Transactions, the Bank may, at its sole discretion require the use of an OTP (One-time Password) for additional security verification. The Bank will notify the Customer of the Transactions that will require OTPs from time to time.

- III. The following Clause 3.6 is inserted into the Agreement.

3.6 While the Customer Delegate is conducting certain transactions, the Bank may, at its sole discretion require the Customer Delegate to obtain from the Bank and use a One-time Password (OTP) for additional security verification. The Bank will transmit an OTP to the Customer Delegate either (a) by means of a SMS (Short Message Service) text message to the mobile phone number that the Customer Delegate has registered with the Bank; or (b) by such other means as the Bank may otherwise select or agree from time to time. Each OTP will only be valid for that particular Transactions and will expire in a short period of time.

Due to insertion of the Clause 3.6 above, the original Clauses 3.6, 3.7, 3.8, 3.9 and 3.10 become 3.7, 3.8, 3.9, 3.10 and 3.11 respectively. To reflect the above changes of the numbering, the numbering of the referencing clauses in the Clauses 9.1, 9.5 and 10.1 of the Agreement are amended accordingly.

- IV. The Clauses 3.7, 3.8, 3.9 and 3.10 are deleted in their entirety and replaced by the following:

3.7 Each of the Customer Delegates agrees that he has sole responsibility for the safe custody and retention of his Login Name, PIN(s) and OTP(s), and the Customer must ensure that all Customer Delegates shall at all times keep their Login Names, PINs and OTPs strictly confidential at their own risks and must follow the precautions set out in the Bank's security notice to customers.

3.8 Upon receipt of the Login Name(s) and the PIN(s) by the Administrator and/or OTP(s) by the Customer Delegates, the Login Name(s), the PIN(s) and/or OTP(s) shall be kept by the Customer at its own sole risk. If the Customer acts fraudulently or with gross negligence such as failing to properly keep the Login Name(s), PIN(s) and/or OTP(s) secure and secret, the Customer shall be solely responsible for all costs and losses,



whether directly or indirectly, arising out of or in connection with any unauthorised use of the Login Name(s), PIN(s) and/or OTP(s) by a third party, including without limitation the consequences of any use of such information, the Content, the Business Net Banking Services and the Website.

3.9 The Customer shall, and shall procure the Administrator(s) to, immediately notify the Bank by telephone at such telephone numbers or in writing to such address of the Bank as may be designated by the Bank from time to time, or in person at one of the Bank's branches if the Customer or any Customer Delegate has reason to suspect or become aware of any disclosure or unauthorised use of the Login Name and the PIN of any Customer Delegate, or any loss or theft of the mobile phone SIM card with mobile phone number (or associated mobile phone handset) registered with the Bank for the purposes of receiving OTP transmissions. Otherwise, the Customer may be held liable for the losses. Upon confirmation of the authenticity of such notification to the satisfaction of the Bank, the Bank may at the cost of the Customer suspend the use of the Login Name and the PIN of the Customer Delegate and, at its sole discretion, re-issue a new Login Name and the PIN to such Customer Delegate. The Customer shall remain wholly responsible for all losses and damages arising out of or in connection with the use of any of the Business Net Banking Services, the Content and the Website by any unauthorised third party until such time the Bank confirms actual receipt and acceptance of notification of the Customer or the Customer Delegate of such. For the avoidance of doubt, the Customer shall not be liable for losses and damages incurred after such confirmation of the Bank has been given to the Customer. The Customer and each Customer Delegate agree and acknowledge that the Bank is entitled to reasonable time for processing the notification of the Customer and/or any Customer Delegate prior to its confirmation.

3.10 The Bank is authorised (but not obligated) to act on any Instruction that the Bank, in its absolute discretion, believes to have been given or authorised by the Customer Delegate(s) using the Login Name(s) and PIN(s) assigned to such Customer Delegate(s) (whether or not such Instruction was in fact given or authorised by the Customer) relating to the use of the Business Net Banking Services. The Bank shall be under no duty and liability to verify the validity and/or authenticity of any Instructions once the correct Login Name, PIN and/or OTP(s) of a Customer Delegate have been inputted and accepted to gain access to and use the Business Net Banking Services. The Bank is entitled to treat such Instructions as having duly authorised and approved by the Customer, even if they conflict with the terms of the mandates of the Accounts. If the Customer acts fraudulently or with gross negligence such as failing to properly keep the Login Name(s), PIN(s) and/or OTP(s) secure and secret, the Customer and the Customer Delegate(s) shall indemnify and keep the Bank fully indemnified at all times of all losses and damage as it may suffer or sustain arising out of or otherwise in connection with complying with or executing any such Instructions.

V. The following original Clause 11 is removed from the Agreement.

11 The Bank's compliance with Hong Kong Code of Banking Practice etc.

The Bank is committed to complying with the Hong Kong Code of Banking Practice and laws and regulations applicable to Hong Kong licenced banks. To the extent any provisions hereof are not in compliance, they shall be deemed varied to the extent necessary to ensure compliance.

Due to removal of the original Clause 11 above, the numbering of the original Clauses 12, 13, 14, 15, 16 and 17 become Clauses 11, 12, 13, 14, 15 and 16 respectively. Moreover, to reflect the above changes of the numbering, the numbering of the referencing clauses in the Clauses 11.1, 11.2 and 11.3 of the Agreement are amended accordingly.

- VI. The Clauses 2.1, 7.3, 9.8 and 16.1 of the Agreement are deleted in their entirety and replaced by the following:
- 2.1 The Bank shall provide an electronic service that permits the Customer acting through Customer Delegate(s) to gain access to the Accounts, to carry out Transactions and make enquiries and to obtain other services which the Bank may provide from time to time at its sole discretion through the use of any computers, or other telecommunication, wireless or similar access devices on the terms of this Agreement.
- 7.3 When the Customer Delegate visits the Website and/or the Business Net Banking Services, "cookies" may be issued to and stored in the web browser of the Customer Delegate's computer for the Website and/or the Business Net Banking Services retrieval later. ("Cookies" are small pieces of data automatically stored on the hard disk of the Customer Delegate's computer.) These "cookies" do not collect or store any personal information of the Customer or any Customer Delegate while information is collected for improving the Website and/or the Business Net Banking Services, thus enabling the Bank to provide more useful features for the Customer Delegate. Moreover, the information collected is on an anonymous and aggregated basis that neither the Customer nor the Customer Delegate could be identified from such information collected.
- 9.8 Notwithstanding any other provisions of this Agreement, neither the Bank nor any other information or service provider shall in any circumstances be liable for any incidental, indirect, special, consequential or exemplary damages including, without limitation, any loss of use, revenue, profits or savings suffered by the Customer and/or the Customer Delegate(s).
- 16.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong. The Customer and each Customer Delegate hereby agree to submit to the non-exclusive jurisdiction of the Hong Kong courts for any matters relating to this Agreement.
- VII. The following Clauses 15.7 and 15.8 are inserted into the Agreement and the numbering of the original Clause 15.7 shall become 15.9.
- 15.7 To protect the Customers, the Customer Delegates and the Bank's staff, and to help resolve any disputes between the Customers and the Bank, the Customers and the Customer Delegates acknowledge that:
- (i) telephone conversations between the Bank and the Customers and/or the Customer Delegates of the Business Net Banking Services may be recorded; and
 - (ii) the Bank will keep a record of all instructions given by the Customers and the Customer Delegates via the Business Net Banking Services and telephones; and
 - (iii) the Bank may listen to telephone calls (and recordings thereof) made in respect of the Business Net Banking Services in order to assess and improve the quality of the service.
- 15.8 Neither party will be liable for the delay in performing or failure to perform any of its obligations under this Agreement which is caused by circumstances beyond its reasonable control, including but not limited to the failure, malfunction or unavailability of telecommunications, data communications and computer systems and services, war, civil unrest, government action, strikes, lock-outs, or other industrial action or trade disputes (whether involving either party's employees or those of a third parties), earthquakes, floods or any other natural disasters. Any delay or failure of this kind will not be deemed to be a breach of this Agreement and the time for performance of the affected obligation will be extend by a period which is reasonable in the circumstances.

VIII. To enhance consistency between the English and Chinese versions of the Agreement, the original Clauses 2.5 and 11.3 in English version of the Agreement is deleted in their entirety and replaced by the following. Nevertheless, the Chinese version is not affected.

2.5 Details of the Customer and the Customer Delegate(s) currently held by the Bank and/or supplied to the Bank upon registration of the Customer for the Business Net Banking Services are in all material respects up-to-date, true and accurate and not misleading by omission or otherwise. The Customer and each Customer Delegate unconditionally and irrevocably undertake to notify the Bank in writing of any changes to such details as soon as reasonably practicable.

11.3 Notwithstanding any provisions in this Agreement, the termination of this Agreement pursuant to this Clause 11 shall not affect any antecedent liabilities of the parties hereunder or any Instructions given prior to such termination. Specifically, this Clause 11.3 and Clauses 8, 9, 10, 13, and 16 shall survive even after termination of this Agreement.

If you have any enquiries, please call our e-Banking Support Hotline at (852) 2541-9206. Please note that the above amendments shall be binding on you if you continue to use and/or retain your Net Banking account(s) on or after the Effective Date. If you do not accept the above amendments, we shall not be able to continue providing such services to you and you must notify us via any of our branches before the Effective Date.

If there is any inconsistency or conflict between the English and Chinese versions, the English version shall prevail.

Public Bank (Hong Kong) Limited
October 2011