



SAFE DEPOSIT LOCKER POLICY

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**THE CHERPALCHERI CO-OPERATIVE
URBAN BANK LTD., NO. 1696**

1. SAFE DEPOSIT LOCKER

Locker facility is available in selected branches of our Bank and the names of branches are available in the Bank's website. Safe deposit lockers can be hired by an individual singly or jointly with another individual(s), HUFs, firms, limited companies, associates, societies, trusts etc. KYC norms are applicable for locker hirers. Lockers cannot be allotted to minors either singly or jointly with others.

2. CUSTOMER DUE DILIGENCE

The existing customers of a bank who have made an application for locker facility and who are fully compliant with the CDD criteria under the Master Direction – Know Your Customer (KYC) Directions, 2016 (as updated from time to time) may be given the facilities of safe deposit lockers/ safe custody article subject to on-going compliance.

Customers who are not having any other banking relationship with the bank may also be given the facilities of safe deposit locker / safe custody article after complying with the CDD criteria under the Master Direction – Know Your Customer (KYC) Directions, 2016 (as updated from time to time) and subject to on-going compliance. The due diligence shall be carried out for all the customers in whatever rights and capacities they may be hiring the locker.

The locker-hirer/s shall not keep anything illegal or any hazardous substance in the Safe Deposit locker. We have incorporated a clause in the locker agreement that the locker-hirer/s shall not keep anything illegal or any hazardous substance in the Safe Deposit locker. If the branch suspects the deposit of any illegal or hazardous substance by any customer in the safe deposit locker, the bank shall have the right to take appropriate action against such customer as it deems fit and proper in the circumstances.

The branches shall obtain recent passport size photographs of locker-hirer(s) and individual(s) authorised by locker hirer(s) to operate the locker and preserve in the records pertaining to locker-hirer being maintained in the branch.

In order to avoid the risk of explosives and weapons being stored in bank lockers, the following measures shall be taken:

- (i) Branches should carry out customer due diligence for both new and existing customers at least to the levels prescribed for customers classified as medium risk. If the customer is classified in a high risk category, customer due diligence as per KYC norms applicable to such high risk category should be carried out.
- (ii) Where the lockers have remained in operated for more than three years for medium risk category or one year for a high risk category, branches should immediately contact the locker hirers and advise him to either operate the locker or surrender it.

This exercise should be carried out even if the locker hirer is paying the rent regularly. Further, branches should ask the locker hirer(s), to give in writing, the reasons why he/she did not operate the locker. In case the locker hirer has some genuine reasons as in the case of NRIs or persons who are out of town due to a transferable job etc., branches may allow the locker hirer to continue with the locker. In case the locker hirer does not respond nor operate the locker, branches should consider opening the lockers after giving due notice to him after taking prior sanction from Regional Office and also strictly complying with all the procedure prescribed for breaking open the locker.

One year minimum rent should be collected in advance and future collection of the rent should be automatically made from operative account linked with the locker.

3. LOCKER ALLOTMENT

In order to facilitate customers making informed choices, Bank will maintain a branch wise list of vacant lockers as well as a wait-list in Core Banking System (CBS) or any other computerized system compliant with Cyber Security Framework issued by RBI, for the purpose of allotment of lockers and ensure transparency in allotment of lockers. The Branches shall acknowledge the receipt of all applications for allotment of locker and provide a wait list number to the customers, if the lockers are not available for allotment.

4. FEASIBILITY STUDY:

Before recommending for a locker unit, branches should assess the customer demand/preferences with reference to type/size and number of cages keeping in mind the profitability of the investment decision. The capital investment made for a locker unit can be easily recovered at the earliest possible time, provided all cages are let out immediately on installation of a new locker unit. Hence, branches should start registering the names of customers who require lockers, before recommending purchase of new locker units to HO/RO. Branches should ensure that at least 60% of the cages in the new locker units can be allotted to the registered customers, immediately on purchase of new locker units. Branches should also obtain NOC from RBD Liabilities for purchase of new/additional locker unit.

4. LOCATION:

Lockers units should be kept in strong room constructed according to RBI guidelines. In the absence of a strong room, special type of locker may be used with the specific sanction of HO.

Banks shall take necessary steps to ensure that the area in which the locker facility is housed is properly secured to prevent criminal break-ins. The risks of accessibility of an allotted locker from any side without involvement of the locker-hirer concerned may be assessed and kept on record. Branches shall have a single defined point of entry and exit to the locker room/vault. The place where the lockers are housed must be secured enough to protect against hazard of rain / flood water entering and damaging the lockers in contingent situations. The fire hazard risks of the area should also be assessed and minimized. The Branches, shall conduct necessary engineering / safety verification regularly to identify the risks and carry out necessary rectification.

The area housing the lockers should remain adequately guarded at all times. The Branches shall install Access Control System, if required as per their risk assessment, which would restrict any unauthorized entry and create digital record of access to locker room with time log. As per our internal security policy, branches may cover the entry and exit of the strong room and the common areas of operation under CCTV camera and preserve its recording for a period of not less than 180 days. In case any customer has complained to the Branch that his/her locker is opened without his/her knowledge and authority, or any theft or security breach

is noticed/observed, the Branch shall preserve the CCTV recording till the police investigation is completed and the dispute is settled.

The security procedures shall be well-documented and the staff concerned shall be properly trained in the procedure. The internal Inspectors/ Auditors shall verify and report the compliance to ensure that the procedures are strictly adhered to.

6. LOCKER STANDARDS

All the new mechanical lockers to be installed by the banks shall conform to basic standards / benchmarks for safety and security as prescribed by Bureau of Indian Standards (BIS) or any other enhanced industry standards applicable in this regard.

Branches should exercise due care and necessary precaution for the protection of the lockers provided to the customers. Branches should keep the locker keys in strong room under dual custody.

Branches shall ensure that identification Code of the bank / branch (our bank code is 84) is embossed on all the locker keys with a view to facilitating identification of lockers / locker ownership by law enforcement agencies in case of need. Further, the custodian of the locker shall, regularly/periodically, check the keys maintained in the branch to ensure that they are in proper condition. Branches shall permit the locker-hirer to operate the locker only with the key provided by the branch, although there is no restriction in allowing the customer to use an additional padlock of her /his own if there are such provisions in lockers.

Banks offering electronically accessed lockers should be fully aware of the safety and security features of such lockers satisfying appropriate industry standards. In case the lockers are being operated through an electronic system, the bank shall take reasonable steps to ensure that the system is protected against hacking or any breach of security. The customers' personal data, including their biometric data, shall not be shared with third parties without their consent. Further, branches shall ensure that the electronically operated lockers are compliant with the Cyber Security Framework prescribed by the Reserve Bank. The system should be capable of maintaining unalterable log of locker activities. The Branches shall comply with the relevant statutory/ regulatory guidelines/requirements applicable for IT / data protection. Further, the Bank shall also devise a standard

operating procedure for issue of new password in lieu of lost passwords to customers in a safe and secure manner in case of electronically operated lockers.

7. LOCKER KEYS- SAFE CUSTODY

Verification of vacant locker keys should be part of charge taking report by the incumbent managers and missing keys, if any, have to be included in the charge taking report. Inspectors from Inspection Department should confirm this. If the keys are found missing or not tallying, the same has to be reported by Branch to respective Regional Office, Inspection & Vigilance Department and RBD Liabilities and necessary action has to be taken as per the direction from concerned Regional Office.

8. CUSTODIAN OF LOCKER

Ordinarily, the Manager should serve as Custodian of locker. If for any reason where a Manager is not in a position to act as custodian, necessary approval should be obtained from Head Office, for the next official to act as the custodian. Such custodian must, however, be a power of attorney holder.

9. TYPE OF LOCKERS AND ANNUAL RENT

Presently our Bank have 11 type of locker units in different size and dimensions. Annual locker rent fixed depends on the size of the locker and the centre at which the branch is located. Locker rent will be revised from time to time by the Bank. Rent for Locker is calculated on pro-rata basis and will be collected in advance. When a new locker allotment takes place, one year rent is collected in advance from the date of allotment of locker.

10. LOCKER AGREEMENT

We have a Board approved agreement for safe deposit lockers. For this purpose, banks may adopt the model locker agreement to be framed by IBA. This agreement shall be in conformity with these revised instructions and the directions of the Hon'ble Supreme Court in this regard. Bank shall ensure that any unfair terms or conditions are not incorporated in our locker agreement. Further, the terms of the

contract shall not be more onerous than required in ordinary course of business to safeguard the interests of the bank. Branches shall renew the locker agreements with existing locker customers by January 1, 2023.

At the time of allotment of the locker to a customer, the branch shall enter into an agreement with the customer to whom the locker facility is provided, on a paper duly stamped. A copy of the locker agreement in duplicate signed by both the parties shall be furnished to the locker- hirer to know his/her rights and responsibilities. Original Agreement shall be retained with the branch where the locker is situated.

11. LOCKER RENT

One year minimum rent should be collected in advance and as far as possible, future collection of the rent should be automatically made from operative account linked with the locker.

Branches may face potential situations where the locker-hirer neither operates the locker nor pays the rent. To ensure prompt payment of locker rent, Branches are allowed to obtain a Term Deposit, at the time of allotment, which would cover three years' rent and the charges for breaking open the locker in case of such eventuality. Branches, however, shall not insist on such Term Deposits from the existing locker holders or those who have satisfactory operative account. The packaging of allotment of locker facility with placement of term deposits beyond what is specifically permitted above will be considered as a restrictive practice.

Branches may take up with their RO Head, in case of any exemption is required with regard to Security Deposit. Branches should demand rent in advance and advise the customers to keep sufficient balance in their SB/CD account or make arrangement for remitting locker rent regularly. In case of waiver for locker rent in exceptional cases, Branches may take up with RBD Liabilities for approval. It is to be noted that, we are already giving 50% waiver in locker rent for prime platinum customers.

If locker rent is collected in advance, in the event of surrender of a locker by a customer, the proportionate amount of advance rent collected shall be refunded to the customer.

If there is any event such as merger / closure / shifting of branch warranting physical relocation of the lockers, the branch shall give public notice in two newspapers (including one local daily in vernacular language) in this regard and the customers shall be intimated at least two months in advance along with options for them to change or close the facility. In case of unplanned shifting due to natural calamities or any other such emergency situation, branches shall make efforts to intimate their customers suitably at the earliest. Branch will notify all hirers (including all joint hirers) of movement/ shifting of lockers to another location through a letter under Registered Post at least 30 days from the shifting date.

12. LOCKER RENT RECOVERY / OVERDUE

Access to Locker will be denied if the rent is overdue. The same is included as a clause in our existing locker agreement. It may be noted that the Safe Deposit locker charges will be revised periodically. On revision of the locker rent, intimation of the locker rent, along with the new rent payable shall be intimated to all the existing Safe Deposit Locker hirers.

An email & SMS will be sent to all customers who have registered their email ID and mobile number with Bank, regarding the rent to be paid on due date. In case annual rent is not remitted on due date, the hirer should be reminded of rent due over phone immediately and subsequently by a letter followed by a registered letter demanding the locker rent. Another set of Email & SMS will also be sent to the customers who has not remitted rent on due date.

The branch should take all possible efforts to trace the customer and intimate the customer about the break open if locker rent is not paid for three consecutive years. In case of return of letter due to non-availability of persons in the given address, RO's guidance should be obtained. Branch should inform the customer the specified date of break opening by a Registered notice if the rent is overdue for three years in a row. Break opening should be in the presence of two independent customers who should witness the contents of the locker. The banker has lien on the valuables recovered from the locker. Hence, full expenses including the cost and charges for changing the key system should be recovered from the valuables from the locker. The guidelines detailed in our Manual of instructions for break opening the locker should be meticulously followed.

13. LOCKER OPERATIONS

13.1 Regular Operations by Customers

The locker hirer and/or the persons duly authorized by him/her only shall be permitted to operate the locker after proper verification of their identity and recording of the authorization by the officials concerned of the branch. The branch shall maintain a record of all individuals, including the locker hirers, who have accessed the lockers and the date and time (both check-in and check-out time) on which they have opened and closed the locker and obtained their signature. The ingress and egress register for access to Vault Room by locker-hirers or any other individuals including the branch staff shall be maintained to record the movement of individuals in the Vault Room area with their signatures at appropriate place in the records.

The officer authorizing the locker-hirer to access the locker, after unlocking the first key/password shall not remain present when the locker is opened by the locker-hirer. The branches shall ensure that there is adequate privacy to the locker-hirers in the operations when customers access the lockers at the same time.

Bank will send an email and SMS alert to the registered email ID and mobile number of the customer before the end of the day as a positive confirmation intimating the date and time of the locker operation and the redressal mechanism available in case of unauthorized locker access.

13.2 GUIDELINES FOR LOCKER OPERATIONS & OPERATIONAL INSTRUCTIONS

Locker operations will be allowed only during Banks business hours after establishing the identity of the hirer. Safe deposit lockers can be hired by an individual singly or jointly with another individual(s), HUFs, firms, limited companies, associates, societies, trusts etc. KYC norms are applicable for locker hirers. Lockers cannot be allotted to minors either singly or jointly with others.

In the case of joint accounts, instruction regarding operation of the locker may be obtained in any of the following forms. The locker will be operated upon and/or surrendered by:

“Either of us or survivor”

“Any one of us or survivors or survivor”

“Both of us jointly or survivor”

Such instructions should be authenticated by all the hirers under their signatures. If the special instructions regarding operation of lockers held on joint names are cancelled by any one of the hirers, further access to the lockers should be allowed only if all the hirers give their consent in writing jointly. When lockers are let out to a partnership concern, care should be taken to get specific instructions signed by all the partners, as to whether access to the lockers should be granted to any one or more of them or to all of them jointly. When letting out the locker to a Limited Company, Club, Society or Association, a copy of the resolution duly signed by the Secretary and President/Chairman should be obtained, complete in all respects.

13.3 IDENTITY

Identity of the person hiring the locker and his contact numbers as well as his close relatives to be collected in advance. It is our duty to verify the identity of the person visiting branch for locker operation. Branches are advised to maintain a register with photo and signature of each locker hirer and verify the identity before allowing to operate the locker. The operation of the lockers should be allowed strictly as per our operational instructions in force. In case of any ambiguity in the subject, the operation should be allowed only after getting written instructions from the customer/s. Telephone/Mobile numbers & e-mail id should be collected & entered in the Register.

13.4 CONFIRMATION BY BANK OFFICIAL

Once the customer completes the locker operation, the officer in charge of the locker has to verify whether the customer has left any valuable in the vicinity of the locker. Reminding the customer to verify once again before leaving the Strong Room is also strongly suggested.

14. APPOINTMENT OF AGENT:

The hirer of a locker may nominate an agent, who shall not be a minor and who is properly introduced to the bank, to have access to the lockers on his behalf provided such authority should be signed by both of them. Death of the hirer cancels the authority granted to his agent to have access to the safe deposit locker.

15. ALLOTING LOCKERS TO ILLITERATE CUSTOMERS

Safe deposit locker shall be allotted to illiterate customers in exceptional cases after verifying the need of the customer. The terms and conditions and details in the agreement will be explained to the customer in vernacular language which is known to the customer and need to be witnessed. His/her left-hand thumb impression shall be affixed on the documents (application form and agreement) in the presence of the Branch Manager. Whenever he/she operates the Locker his LTI (Left Thumb impression) will be obtained

16. INTERNAL CONTROLS BY BANK

There shall be a system of inter change of locks whenever the locker is surrendered by the hirer. The keys of vacant lockers shall be kept in sealed envelopes and the same shall be maintained under dual custody. The duplicate master keys shall be deposited with another branch/bank. There shall be proper record of joint custody of master keys. Branches shall conduct surprise periodic verification of surrendered/vacant lockers and their keys by an officer of the branch who is not connected with their custody and proper record shall be maintained as a proof of such verification. Inspection & Vigilance Department has to confirm this at the time of Branch inspection.

The Locker Register and the Locker Key Register shall be maintained in CBS or any other computerized system compliant with the Cyber Security Framework issued by the Reserve Bank. The Locker Register shall be updated in case of any change in the allotment with complete audit trails.

The branch custodian shall check whether the lockers are properly closed post locker operation. If the same is not done, the lockers must be immediately closed, and the locker-hirer shall be

promptly intimated through e-mail, if registered or through SMS, if mobile number is registered or through letter so that they may verify any resulting discrepancy in the contents of the locker. The locker custodian shall record the fact of not closing the locker properly in the register and its closure by the branch with the date and time. Further, the custodian of the locker room shall carry out a physical check of the locker room at the end of the day to ensure that lockers are properly closed, and that no person is inadvertently trapped in the locker room after banking hours.

17. NOMINATION FACILITY AND SETTLEMENT OF CLAIMS

17.1 Nomination Facility

Bank is offering nomination facility in case of safe deposit lockers and safe custody of articles, in accordance with the provisions of section 45-ZC to 45-ZF of the Banking Regulation Act, 1949 and Banking Companies (Nomination) Rules, 1985/Co-operative Banks (Nomination) Rules, 1985. In case the nominee is a minor, the same procedure as prescribed for the bank accounts shall be followed. A passport size photo of the nominee attested by the customer may be obtained from the customers, at his/her option and preserved in the records.

For the various Forms (Forms SC1, SC2 and SC3 for Articles left in Safe Custody and Forms SL1, SL1A, SL2, SL3 and SL3A for Safety Lockers) prescribed under Banking Companies (Nomination) Rules, 1985/Co-operative Banks (Nomination) Rules, 1985, only Thumb-impression(s) shall be required to be attested by two witnesses. Signatures of the account holders need not be attested by witnesses.

In case of the demise of the hirer, Branches has to promptly intimate nominee. After collecting a copy of the death certificate, the locker may be opened and contents may be delivered to the nominee in the presence of two independent witnesses. Arrears of the rent may be recovered at the time of closing the locker account. In case the nominee requests for a locker, fresh application has to be taken and all formalities for issuing a new locker should be observed. It is advised to verify the

existing locker accounts and wherever the nomination is not registered, the hirer may be advised to register nomination.

Branches shall have appropriate systems and procedures in place to register the nomination, cancellation and / or variation of the nomination, in their books, made by the locker hirers.

Branches shall devise a proper system of acknowledging the receipt of duly completed form of nomination, cancellation and / or variation of the nomination. Such acknowledgement shall be given to all the customers irrespective of whether the same is demanded by the customers or not.

17.2 SETTLEMENT OF CLAIMS IN CASE OF DEATH OF A CUSTOMER

On report of the death of the hirer through any authentic source (accompanied by valid proof) or by any of the survivors in the joint locker (accompanied by valid proof), it will be recorded in the Bank records. In case of the demise of the hirer, we have to promptly intimate nominee. Locker will be sealed and sticker will be pasted with note about the death of the hirer. Arrears of the rent may be recovered at the time of closing the locker account.

Time limit for settlement of claims: Branches shall settle the claims in respect of deceased locker hirers and shall release contents of the locker to survivor(s) / nominee(s), as the case may be, within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) with reference to nomination, to the branch satisfaction.

Branches/ Regional Offices shall report to the Customer Service Committee of the Board, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased locker-hirers / depositors of safe custody article accounts and those pending beyond the stipulated period, with reasons therefor. Customer Service Committee of the Board of the bank shall review the settlement of claims and make suggestions to ensure that the claims are settled as early as possible unless there is any litigation pending

before the Courts or any difficulty is being faced in identifying the true claimant with reference to nomination.

Banks Board approved policy for settlement of claims shall be in conformity with the regulatory instructions and the Model Operational Procedure (MOP) for settlement of claims of the deceased constituents formulated by the IBA and in case of State and Central Co-operative Banks, MOP formulated by NABARD.

Bank shall have a Board approved policy for nomination and release of contents of safety lockers / safe custody article to the nominee and protection against notice of claims of other persons in accordance with the provisions of Sections 45 ZC to 45 ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985/Co-operative Banks (Nomination) Rules, 1985 and the relevant provisions of Indian Contract Act and Indian Succession Act

In order to ensure that the articles left in safe custody and contents of lockers are returned to the genuine nominee, as also to verify the proof of death, branches should use Banks own claimformats, in terms of applicable laws and regulatory guidelines.

For settlement of claims of the heirs of the Deceased Locker hirers, procedure detailed in Circular No.281/LD-GEN/5/09-10 dated 17/11/2009, to be followed.

18. ACCESS TO THE ARTICLES IN THE SAFE DEPOSIT LOCKERS / RETURN OF SAFE CUSTODY ARTICLES

If the sole locker hirer nominates an individual to receive the contents in the locker, in case of his death, after verification of the death certificate and satisfying the identity and genuineness of such individual approached, the Branches shall give access of the locker to such nominee with liberty to remove the contents of the locker, after an inventory was taken in the prescribed manner. In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s) nominates any other individual(s), in the event of death of any of the locker hirers, the branch shall give access of the locker and the liberty to remove the contents jointly to

the survivor(s) and the nominee(s) after an inventory was taken in the prescribed manner. In case the locker was hired jointly with survivorship clause and the hirers instructed that the access of the locker should be given to "either or survivor", "anyone or survivor" or "former or survivor" or according to any other survivorship clause permissible under the provisions of the Banking Regulation Act, 1949, the branches shall follow the mandate in the event of death of one or more of the joint locker-hirers.

18.1 Branches shall, however, ensure the following before giving access to the contents to nominee

/ survivor:

1. Exercise due care and caution in establishing the identity of the survivor(s) / nominee(s) and the fact of death of the locker hirer by obtaining appropriate documentary evidence;
2. Make diligent effort to find out whether there is any order or direction from Courts/Forums restraining it from giving access to the locker of the deceased; and
3. Make it clear to the survivor(s) / nominee(s) that access to articles in the locker / safe custody articles is given to them only as a trustee of the legal heirs of the deceased locker hirer i.e., such access given to them shall not affect the right or claim which any person may have against the survivor(s) / nominee(s) to whom the access is given.

Similar procedure shall be followed for return of articles placed in the safe custody of the bank.

18.2 The branches shall ensure that, the contents of locker, when sought to be removed on behalf of a minor nominee, are handed over to a person who is, in law, competent to receive the articles on behalf of such minor. Further, the branches shall prepare an inventory of the articles in the presence of two independent witnesses, one officer of the branch who is not associated with the locker facility or safe deposit of articles and the claimant (s), who may be a nominee or an individual receiving the articles, on behalf of a minor.

18.3 The branches shall obtain a separate statement from the nominee (claimant) or the person competent to receive articles on behalf of the minor, as the case may be, that all the contents in the locker or in the safe custody is received and the locker is empty and they

have no objection to allotment of the locker to any other customer as per norms.

18.4 While giving access to the survivor(s) / nominee(s) of the deceased locker hirer / depositor of the safe custody articles, branches may avoid insisting on the production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee(s), unless there is any discrepancy in nomination. In this regard please make a note of instructions in 18.1

18.5 In case where the deceased locker hirer had not made any nomination or where the joint hirers had not given any mandate that the access may be given to one or more of the survivors by a clear survivorship clause, banks shall adopt a Board approved policy to facilitate access to legal heir(s) / legal representative of the deceased locker hirer. In this regard please make a note of instructions in 18.1

Similar procedure shall be followed for the articles under safe custody of the bank.

19 CLOSURE AND DISCHARGE OF LOCKER ITEMS

This part refers to the breaking open of the locker in a manner other than through the normal access by the customer using her/his original key or password under any one of the following circumstances:

- if the hirer loses the key and requests for breaking open the locker at her /his cost; or
- if the Government enforcement agencies have approached the bank with orders from the Court or appropriate competent authority to seize lockers and requested for access to the lockers; or
- if the branch is of the view that there is a need to take back the locker as the locker hirer is not cooperating or not complying with the terms and conditions of the agreement.
- Bank shall have a clear Board approved policy together with a Standard Operating Procedure (SOP) for breaking open the lockers for

all possible situations keeping in view the relevant legal and contractual provisions.

20 DISCHARGE OF LOCKER CONTENTS AT THE REQUEST OF CUSTOMER

If the key of the locker, supplied by Branch is lost by the locker-hirer, the customer (locker hirer) shall notify the Branch immediately. An undertaking may also be obtained from the customer that the key lost, if found in future, will be handed over to the Branch. All charges for opening the locker, changing the lock and replacing the lost key may be recovered from the hirer. The charges applicable for replacement of lost keys / issue of new password shall be communicated to the locker hirer.

The opening of the locker has to be carried out by the Branch or its authorized technician only after proper identification of the hirer, proper recording of the fact of loss and written authorization by the customer for breaking open the locker.

The operation shall be done in the presence of the customer/s and an authorized official of the Branch. It has to be ensured that the adjoining lockers are not impacted by any such operations and the contents of the lockers are not exposed to any individual other than the locker-hirer during the break-up or restoration process.

21 LOSS OF KEY BY THE CUSTOMER

If, customer loses the key of Safe deposit locker, cost for break open and replacement of locks, actual charges by the vendor to be borne by the hirer.

22 ADDITION/ DELETION OF THE HIRE(S)

Branches may at the request of all the locker hire/s allow addition or deletion of joint hirer or allow an individual hirer to add the name of another person as a joint hirer. However, such addition /deletion of locker hirer should not result in the total change of the original hirer.

For addition of joint hirer KYC document of new hirer need to be provided to Branch and a fresh agreement to be executed by all the hirers. Mode of operations of the locker has to be clearly mentioned in this agreement.

23 ATTACHMENT AND RECOVERY OF CONTENTS IN A LOCKER AND THE ARTICLES IN THE SAFE CUSTODY OF THE BANK BY ANY LAW ENFORCEMENT AUTHORITY

23.1.1 In case of attachment and recovery of the contents in a locker of a customer or the articles left by a customer for safe custody of the Branch by any Authority acting either under the orders of a Court or any other competent authority vested with the power to pass such orders, the branch shall co-operate in execution and implementation of the orders.

23.1.2 The branch shall verify and satisfy itself about the orders and the connected documents received for attachment and recovery of the contents in a locker or articles in the safe custody of the Branch. The customer (locker-hirer) shall be informed by letter as well as by email/SMS to the registered email id/mobile phone number that the Government Authorities have approached for attachment and recovery or seizure of the locker or articles deposited for safe custody. An inventory of the contents of locker and articles seized and recovered by the Authority shall be prepared in the presence of such Government Authorities, two independent witnesses and an officer of the branch and shall be signed by all. A copy of the inventory may be forwarded to the customer to the address available in the Branch records or handed over to the customer against acknowledgement.

23.1.3 Branch shall also record a video of the break-open process and the inventory assessment, wherever legally permissible, and preserve the video to produce as evidence in case of any dispute or Court or fraud case in future.

24 DISCHARGE OF LOCKER CONTENTS BY BANKS DUE TO NON-PAYMENT OF LOCKER RENT

24.1.1 Branches shall have the discretion to break open any locker following due procedure if the rent has not been paid by the customer for three years in a row. The bank shall ensure to notify the

existing locker-hirer prior to any changes in the allotment and give him/her reasonable opportunity to withdraw the articles deposited by him/her. A clause will be incorporated in the locker agreement to this effect.

24.1.2 Before breaking open the locker, the branch shall give due notice to the locker-hirer through a letter and through email and SMS alert to the registered email id and mobile phone number. If the letter is returned undelivered or the locker-hirer is not traceable, the branch shall issue public notice in two newspaper dailies (one in English and another in local language) giving reasonable time to the lockerhirer or to any other person/s who has interest in the contents of locker to respond. The locker shall be broken open in the presence of an officer of the branch and two independent witnesses. In case of electronically operated lockers (including Smart Vaults), the use of 'Vault Administrator' password for opening of locker shall be assigned to a senior official and complete audit trail of access shall be preserved. Further, branches shall also record a video of the break open process together with inventory assessment and its safe keep and preserve the same so as to provide evidence in case of any dispute or Court case in future. Branches shall also ensure that the details of breaking open of locker is documented in CBS or any other computerized systems compliant with the Cyber Security Framework issued by RBI, apart from locker register. After breaking open of locker, the contents shall be kept in sealed envelope with detailed inventory inside fireproof safe in a tamper-proof way until customer claims it. A record of access to the fireproof safe shall invariably be maintained. While returning the contents of the locker, the branches shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future.

24.1.3 Branches shall ensure that the inventory prepared after breaking open of the locker and during settlement of claims, is in the appropriate forms as provided. Further, Branches shall not open sealed/closed packets left with them for safe custody or found in locker while releasing them to the nominee(s) and surviving locker hirers / depositor of safe custody article, unless required by law.

25 DISCHARGE OF LOCKER CONTENTS IF THE LOCKER REMAINS INOPERATIVE FOR A LONG PERIOD OF TIME

25.1.1 If the locker remains inoperative for a period of seven years and the locker-hirer cannot be located, even if rent is being paid regularly, the branch shall be at liberty to transfer the contents of the locker to their nominees/legal heir or dispose of the articles in a transparent manner, as the case may be. Before breaking open the locker, the branch shall follow the procedure as prescribed in paragraph 24.ii and 24.iii above. A clause regarding the procedure to be followed for disposal of the articles left unclaimed for a reasonably long period of time as mentioned above will be incorporated in the locker agreement.

25.1.2 The branches shall ensure that appropriate terms are inserted in the locker agreement executed with the customer specifying the position in case the locker is not in operation for long period. A clause may also be incorporated in the locker agreement to discharge the branch from liability in case the locker is not in operation and the locker is opened by the branch and contents are released as per law and as per the instructions issued by the Reserve Bank and the terms and conditions prescribed in the agreement.

25.1.3 DISCHARGE OF LOCKER CONTENTS IF THE LOCKER IF THE LOCKER OPERATOR DESEASED.

Branches may note that at present Banking Regulation Act does not provide nomination facility in respect of lockers with “Either or Survivor” / “Former or Survivor” / “Anyone or Survivors” / “Latter or Survivor” mandate. Hence operational instructions are not given in this regard. The claims should be settled in terms of the survivorship mandate given by the customers. In cases where there is valid nomination/clear survivorship clause, the claim from the nominees/survivors should be settled at branch level itself duly observing the above-mentioned procedure on the basis of nomination/survivorship clause. In such cases branches should not insist for regular legal representation and also should not obtain any bond of indemnity or surety from the survivor(s)/Nominee(s). In case of any doubt, branches may seek guidance from the respective Regional Office/ Head Office.

26. ACCESS TO THE SAFE DEPOSIT LOCKERS/RETURN OF SAFE CUSTODY ARTICLES TO SURVIVOR(S)/LEGAL HEIR(S):

The procedure for settlement of claims in respect of Safe deposit locker/s, on the death of the hirer/depositor, are detailed in the "Claims Manual" Part IV- Other Claims – Item No.2. Branches are advised to follow these procedures strictly and settle the claims within the permitted timelines.

27. STOPPAGE OF LOCKER ACCESS

If prohibitory order from a competent authority or a Court appointing a Receiver in respect of the Locker is received by the branch, access to the specified locker will be stopped immediately. This will be marked physically on the Locker as well as in the bank/branch records.

28. COMPENSATION POLICY / LIABILITY FOR BANKS

The banks will put in place a detailed Board approved policy outlining the responsibility owed for any loss or damage to the contents of the lockers due to their negligence as banks owe a separate duty of care to exercise due diligence in maintaining and operating their locker or safety deposit systems. The duty of care includes ensuring proper functioning of the locker system, guarding against unauthorized access to the lockers and providing appropriate safeguards against theft and robbery. Further, Bank will adhere to the Master Directions on Frauds for reporting requirements about the instances of robberies, dacoities, thefts and burglaries.

28.1 LIABILITY OF BANK ARISING FROM NATURAL CALAMITIES LIKE EARTHQUAKE, FLOOD, THUNDERSTORM, LIGHTNING ETC. OR DUE TO SOLE NEGLIGENCE OF THE CUSTOMER

The bank/branch shall not be liable for any damage and/or loss of contents of locker arising from natural calamities or Acts of God like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer. Bank/Branch shall, however, exercise appropriate care to their locker systems to protect their premises from such catastrophes.

28.2 LIABILITY OF BANK ARISING FROM EVENTS LIKE FIRE, THEFT, BURGLARY, DACOITY, ROBBERY, BUILDING COLLAPSE OR IN CASE OF FRAUD COMMITTED BY THE EMPLOYEES OF THE BANK

It is the responsibility of bank/branch to take all steps for the safety and security of the premises in which the safe deposit vaults are housed. It has the responsibility to ensure that incidents like fire, theft/burglary/ robbery, dacoity, building collapse do not occur in the branch premises due to its own shortcomings, negligence and by any act of omission/commission. As banks cannot claim that they bear no liability towards their customers for loss of contents of the locker, in instances where loss of contents of locker are due to incidents mentioned above or attributable to fraud committed by its employee(s), the banks' liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

29 INSURANCE OF LOCKER CONTENTS BY THE CUSTOMER

29.1 Branch Insurance Policy

Banks, with the approval of Board, may have a branch insurance policy to minimize the loss due to incidents like robbery, fire, natural calamities, loss during shifting/merger of branch, etc., affecting contents of lockers.

29.2 INSURANCE OF LOCKER CONTENTS BY THE CUSTOMER

Bank will clarify in the locker agreement that they do not keep a record of the contents of the locker or of any articles removed therefrom or placed therein by the customer, they would not be under any liability to insure the contents of the locker against any risk whatsoever. Bank shall under no circumstances offer, directly or indirectly, any insurance product to its locker hirers for insurance of locker contents.

30 CUSTOMER GUIDANCE AND PUBLICITY

The bank shall display the model locker agreement with all the Terms & Conditions and the Standard Operating Procedures (SOPs) on various aspects on their websites and/or at branches (if official website is not available) where locker facility is being provided by them for public viewing. The bank shall ensure that the customers are made aware of the bank's terms and conditions to avail those facilities.

Bank shall display updated information on all kinds of charges for safe deposit lockers and safe custody articles in our website.

Bank shall place in our website, the instructions together with the policies / procedures put in place for giving access of the locker/safe custody article to the nominee(s) / survivor(s) / legal heir(s) of the deceased locker hirer/safe custody article. Further, a printed copy of the same shall also be given to the nominee(s) / survivor(s) / legal heir(s).

31 CONFIDENTIALITY

Branch shall ensure utmost secrecy of the Safe Deposit Lockers hired by the customer and shall not divulge any information about hiring of lockers, mode of operation etc. to anyone, except when the disclosure is required to be made with the clear consent of the hirer(s) or in compliance of the orders of a competent authority having statutory powers.

32. REGISTERS TO BE MAINTAINED:

Till date, registers to be maintained at branches for smooth operation of Lockers are:

- a) Locker Register: For entering full details of locker holder and also for noting details of rent collected.
- b) Locker Key Register: Movement of locker keys with key number has to be noted in this register at the time of issuing or surrendering of locker.
- c) Locker Transactions Register: Daily transaction of lockers has to be noted in this register.

Now, we have designed a 2 in 1 Register combining Locker Register and Locker Key Register for simplicity and to save cost of printing.

Maintaining locker registers are also mandatory even though everything is captured in CBS. RBI clearly instructs to verify the signature so both to be maintained.

33. FORMS:

The following forms shall be used by the branches in connection with Safe Deposit Locker business.

1. Request for allotment of Safe Deposit Locker
2. Application for Surrendering Locker
3. Agreement for hiring safe deposit locker
4. Form of Inventory of contents of SDL(to be used where there is nomination or survivorship clause)
5. Form of Inventory of contents of SDL(to be used where there is NO nomination or survivorship clause)

34. REVIEW OF THE POLICY:

One Year from the date of approval of this Policy. But in case of any amendment(s), clarification(s), circular(s), etc. issued by competent authorities of the bank on the basis of any amendments to the Laws & Rules of the Land, not being consistent with the provisions laid down in this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail over the provisions of this Policy and this Policy shall stand amended accordingly. The Board has the power to replace this Policy entirely with a new Policy. Any guidelines issued by any Regulatory Authority which has the effect of changing any of the provisions of this policy will also become part of the policy from the date of issuance of such guidelines.

Policy approved



Chairman

Director



General Manager