

21/11/24

THODUPUZHA URBAN CO OPERATIVE BANK LTD NO:394

Locker Policy

LOCKER POLICY

(B.R No: 703-24/09/2024)



The Policy Approved / Renewed ✓

as per BR No: 200 dtd: 10.11.2025



SAFE DEPOSIT LOCKER POLICY

The Existing customers of the Bank who have made an application for safe deposit locker facility who are fully complied with customer due diligence criteria under the KYC directions may be given facility of safe deposit locker. A customer who is not having any other banking relationship with the bank may be given the facility after complying the CDD criteria under KYC direction and subject to ongoing compliance. The CDD shall be carried out for all the customers in whatever right and capacity they may be hiring the locker

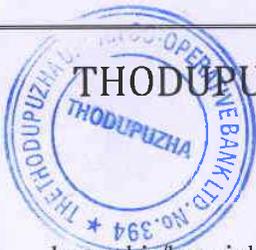
The locker-hirer/s shall not keep anything illegal or any hazardous substance in the Safe Deposit locker. If the bank suspects the deposit of any illegal or hazardous substance by any customer in the safe deposit locker, the bank shall have the right to take appropriate action against such customer as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

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

In order to facilitate customers making informed choices, branches should maintain list of vacant lockers as well as a wait-list for the purpose of allotment of lockers. The banks 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.

Bank shall have a Board Approved agreement for safe deposit lockers. Terms of the contract shall not be more onerous than required in ordinary course of business to safeguard the interests of the bank.

At the time of allotment of the locker to a customer, the bank 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



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know his/her rights and responsibilities. Original Agreement shall be retained with the bank's branch where the locker is situated

Banks may face potential situations where the locker-hirer neither operates the locker nor pays the rent. To ensure prompt payment of locker rent, banks 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 and it is fixed as Rs 10000 (Ten Thousand only). Banks, however, shall not insist on such Term Deposits from the existing locker holders or those who have satisfactory operative account. No loan should be granted against such deposit and the deposit should not be permitted to be encumbered in any manner whatsoever. 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 and is prohibited. The rent for the locker is fixed as Rs 500 + GST and it can also be paid in advance. 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 bank 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, banks shall make efforts to intimate their customers suitably at the earliest .

The area housing the lockers should remain adequately guarded at all times. The banks 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 their internal security policy, banks 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 bank that his/her locker is opened without his/her knowledge and authority, or any theft or security breach is noticed/observed, the bank shall preserve the CCTV recording till the police investigation is completed and the dispute is



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settled. All the new mechanical lockers to be installed by the bank shall conform to basic standards/benchmarks for safety and security as prescribed by BIS or any other enhanced industry standards applicable in this regard.

Banks shall ensure that identification Code of the bank / branch 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. Banks shall permit the locker-hirer to operate the locker only with the key provided by the bank, 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

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 bank. The bank 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 obtain their signature. The register for access to Vault Room by locker-hirers or any other individual including the banks' staff shall be maintained to record the movement of individuals in the Vault Room area with their signatures at appropriate place in the records

Banks shall 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.

The bank's officer authorizing the locker-hirer to access the locker, after unlocking the first key shall not remain present when the locker is opened by the locker-hirer. The banks shall ensure that there is adequate privacy to the locker-hirers in the operations when customers access the lockers

The keys of vacant lockers shall be kept in sealed envelopes. The duplicate master keys shall be deposited with another branch of the bank. There shall be proper record of joint custody of master keys. Locker Register and the Locker Key Register are to be



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maintained in system or anyother computerized system ,compliant with the cyber security framework issued by RBI.

The bank 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 bank custodian shall record the fact of not closing the locker properly in the register and its closure by the bank 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.

The Branch shall offer nomination facility in case of safe deposit lockers 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 by the bank.

Bank 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.

Banks 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.If the key of the locker, supplied by bank is lost by the locker-hirer, the customer (locker hirer) shall notify the bank immediately. An undertaking may also be obtained from the customer that the key lost, if found in future, will be handed over to the bank. All charges for opening the locker, changing the lock and replacing the lost key may be recovered from the hirer. The opening of the locker has to be carried out only after proper identification of the hirer, proper recording of the fact of loss and a 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 bank.



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Lockers are broken open in the following cases

- 1.If the hirer loses the key and requests for breaking open the locker at her/his cost
- 2.If the govt enforcement agencies have approached the bank with court orders or appropriate competent authority to seize lockers and requested for access to lockers.
- 3.If the bank is of the view that there is a need to take back the locker as the locker hirer is not cooperating with the terms and conditions of the agreement.
- 4.When the hirer default due to non payment of locker rent.(Rent has not been paid by the customer for 3 years in a row)
- 5.Emergent situations

Before breaking open the locker, the bank shall give due notice to the hirer through letter and through email and SMS alert to the regd email ID and mobile..If the letter is returned undelivered, or the locker hirer is not traceable, the bank shall issue public notice in 2 newspaper dailees (English and local language) giving reasonable time to the locker hirer or to any other person/s who has interest in the contents of the locker to respond. The locker shall be broken open in the presence of an officer of the bank and 2 independent witnesses.

Further banks 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 system or any other computerized systems compliant with the cyber security framework issued by RBI, apart from locker register. After breaking open of the locker the contents shall be kept in sealed envelope with detailed inventory inside fireproof safe in tamper proof way until customer claims it. A record of access to 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. Branches shall ensure that the inventory prepared after breaking open of the locker and during settlement of claims, is in the appropriate forms.. Further branches shall not open sealed/closed packets found in locker while releasing them to the nominee(s) and surviving locker hirers, unless required by law.

Where the lockers have remained unoperated for more than 3 years for medium risk category or one year for a high risk category, branches should immediately contact the locker hirer and advise him to either operate the locker or surrender it.

. In any case, 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 bank 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. Branches shall ensure that the procedure to be followed by them for disposal of articles left unclaimed for a reasonably long period is incorporated in the locker agreement.

Bank shall have a Board approved policy for settlement of claims.



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The policy 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. In order to ensure that the contents of lockers are returned to the genuine nominee, as also to verify the proof of death, banks shall devise their own claim formats, in terms of applicable laws and regulatory guidelines.

Banks shall have a Board approved policy for nomination and release of contents of safety lockers 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, banks shall devise their own claim formats, in terms of applicable laws and regulatory guidelines. Time limit for settlement of claims: Banks 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 bank's satisfaction. 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, the banks shall give access of the locker to such nominee with liberty to remove the contents of the locker, after an inventory was taken. 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 liberty to remove the contents jointly to the survivor(s) and the nominee(s) after an inventory was taken. In case the locker was hired with E or S / Anyone or survivor / For S / according to any other survivorship clause permissible under the provisions of the BR Act 1949, the branches shall follow the mandate in the event of death of one or more of the joint locker hirers.



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Branches shall however ensure the following before giving access to the contents to nominee/survivor.

- Exercise due care and caution in establishing the identity of the survivor(s)/nominee(s) and the fact of death of locker hirer by obtaining appropriate documentary evidence.
- 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.
- Make it clear to the survivor(s)/nominee(s) that access to articles in the locker is given to them only as a trustee of the legal heirs of the deceased locker hirer. That is 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.

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 branch 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 and the claimant(s), who may be a nominee or an individual receiving the articles on behalf of minor.

The branch shall obtain a separate statement from the nominee or the person competent to receive articles on behalf of the minor that all the contents in the locker are received and the locker is empty; and they have no objection to allotment of locker to any other customer. While giving access to the survivor(s)/nominee(s) of the deceased locker hirer bank may avoid insisting on the production of succession certificate, letter of administration, or probate etc or obtain any bond or indemnity or surety from the survivor(s)/nominee(s), unless there is any discrepancy in nomination.

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

Banks 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



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deceased locker-hirers and those pending beyond the stipulated period, with reasons therefor. Customer Service Committee of the Board of the banks 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.

The bank shall put in place a detailed Board approved policy outlining the responsibility owed by them for any loss or damage to the contents of the lockers due to the negligence as bank owe a separate duty of care to exercise due diligence in maintaining and operating their locker. 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, banks shall adhere to the Master Directions on Frauds for reporting requirements about the instances of robberies, dacoities, thefts and burglaries. The bank shall not be liable for any damage and /or loss of contents of locker arising from natural calamities or Acts of God or any act that is attributable to the sole fault or negligence of the customer.

It is the responsibility of branches to take all steps for the safety and security of the premises. It has the responsibility to ensure that incidents like fire/theft/burglary/robbery, dacoity, building collapse do not occur due to its own shortcomings, negligence and by an act of omission/commission. In instance, where loss of contents of locker are due to incidents mentioned above, or attributable to fraud committed by employee(s), the bank's liability for an amount equivalent to 100 times the prevailing annual rent of the locker. Bank shall have a branch insurance policy to minimize the loss due to incident like robbery, fire, natural calamities during shifting /merger of branches etc affecting contents of lockers. Bank does not keep a record of the contents of the locker. Hence bank shall not be under any liability to insure the contents of the locker against any risk. Banks shall not under no circumstances offer any insurance products to locker hirers. The bank shall display the model locker agreement with all the Terms & conditions, SOPs and all kinds of charges for lockers, at branches where locker facility is being provided for public viewing. Branches shall



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ensure that the customers are made aware of the Bank's terms and conditions to avail locker facilities.

Approved by Board

Board Resolution No:703-24.09.2024