

Safe Deposit Locker Policy – Standard Operating Procedure

(Resolution No. 26 dated 30.01.2025 of the meeting of the Board of Directors)

1. Introduction

Safe deposit locker facility is one of the ancillary services extended by the Tiruvalla East Co-operative Bank to its shareholders and customers at its branches.

2. Advantages of storing the valuables in a Safe Deposit Locker

- A customer can store valuables like jewellery, important documents, etc. to protect it against theft.
- One can nominate or appoint a family member as joint or Power of Attorney holder to operate the locker in his/her absence.
- Total privacy is maintained as bank officials do not see what the customer keep inside his/her locker.
- Each entry in locker room is under CCTV surveillance and security.

3. Concept of a Safe Deposit Locker

A safe deposit locker is referred as locker in this policy, is an individually secured container having a number of safe deposit boxes, held within a larger safe inside the bank is generally used to store valuable possessions, such as gemstones, precious metals, currency, marketable securities, luxury goods, important documents (e.g., wills, property deeds, or birth certificates), or computer data that need protection from theft, fire, flood, tampering etc. Bank lockers are one of the safest options to keep jewellery and important papers safe. Lockers are made of high-quality thick steel/metal plates with screws fitted on them making it difficult for robbers to break open. The lockers are enabled with locks which ensures that the locker cannot be opened in single capacity and requires master key which is with the custody of bank staff thereby reducing the chances of misuse.

4. Customer Due Diligence (COO)

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 subject to on-going compliance.

Customers who are not having any other banking relationship with the bank may also be given facilities of safe deposit locker 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.

5. Locker Allotment

Allotment of lockers shall be based on the duly filled in and signed application of the prospective hirers on the printed format provided by the Bank. Lockers will be allotted by the branches on first-come-first-serve basis. Lockers will be available to any person, having contractual capacity i.e. capacity to enter into a contract. Thus locker can be hired by an Individual singly and/or two or more individuals jointly as well as Firms, Limited Companies, Trusts, Societies, Associations, Religious Institutions, Clubs etc.

In order to facilitate customers making informed choices, bank shall 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 bank 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 at the time of application.

6. Secrecy and Confidentiality

The Bank will ensure utmost secrecy of the Safe Deposit Lockers hired by the customer and will 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.

The Bank will 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 will have a single defined point of entry and exit to the locker room/vault. Also the 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 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 settled. The security procedures shall be well-documented and the staff concerned shall be properly trained in the procedure. The internal auditors shall verify and report the compliance to ensure that the procedures are strictly adhered to.

7. Locker Agreement for hiring of lockers

Banks shall have a Board approved agreement for safe deposit lockers in conformity with these revised instructions and the directions of the Hon'ble Supreme Court in this regard.

Amongst other clauses, the agreement will include the following:

- The locker hirer/s will not keep anything illegal or any hazardous substance in Safe Deposit Locker. If the Bank suspects such deposits in the locker, then the Bank will have right to take appropriate action against the customer as it deems fit and proper in the circumstances.
- The Bank will have the discretion to break open any locker if the rent has not been paid by customer for three years in a row. The Bank will notify the locker-hirer prior to the break open and give reasonable opportunity to withdraw the articles deposited by locker-hirer post payment of the dues.
- If the locker remains inoperative for a period of three years and the locker-hirer cannot be located, even if rent is being paid regularly, the Bank will be at liberty to transfer the contents of the locker to their nominees/legal heir or dispose of the articles in a transparent manner, post following due procedure as required.
- The Bank will be discharged of any liability in case the locker is not in operation and the locker is opened by the Bank and contents released as per the law and as per the instructions issued by the Reserve Bank and the terms and conditions prescribed in the agreement.
- As the Bank does not keep a record of the contents of the locker or of any articles removed therefrom or placed therein by customer, the Bank would not be under any liability to insure the contents of the locker against any risk whatsoever.

At the time of allotment of a locker, the locker-hirer(s) shall enter into an agreement with the Bank on stamped paper in Bank's approved format. The cost of stamp paper for the agreement should be borne by the hirer. A copy of the locker agreement in duplicate signed by both the parties will be furnished to the locker-hirer to know his/her rights and responsibilities. Original agreement will be retained with the respective branch where the locker is situated.

8. Locker Rent

Rent for locker will vary with the size of the locker and also the location of the branch and the same will be fixed by the bank from time to time after taking into consideration various factors. The rent tariff and related service charges will be publicized among the customers, suitably. Rent for one year will be charged on each locker, which is payable 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. Customer will be given the facility to link the locker account to customer's running account with the bank for automatic recovery of locker rent on its due date. Standing instruction for the same may be obtained from all the holders of the running account for adjusting the yearly 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. Banks, however, shall not insist on such Term Deposits from the existing locker holders or those who have satisfactory operative account.

In the event of increase in the annual rent, the branch will have to collect the incremental security deposit from the existing locker hirers on or before the due date of the next annual rent. If locker rent is overdue, penalty shall be collected at the time of remittance of overdue locker rent at a rate equal to the maximum interest rate on loans from the date of overdue. However, in the case of existing locker holders having no Term Deposits in their name and if the locker rent is overdue for more than three years, the Branch Manager can set off the locker facility with the prior written permission of the Chief Executive of the Bank by collecting three years rent. In such cases the said customers will not be allowed to hire the locker facility of the Bank within one year from the date of that set off.

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.

9. Nomination Facility

The Bank will offer nomination facility in accordance with the provisions of the Banking Regulation Act, 1949. The nominations shall be in the format as fixed by the Bank. In case the nominee is a minor, the same procedure as prescribed for the Bank accounts will be followed. A passport size photo of the nominee attested by the customer may be obtained from the customer, at his/her option and preserved in the records. Thumb-impression(s) on nomination form will be required to be attested by two witnesses. Signatures of the account holders need not be attested by witnesses.

The Bank will provide acknowledgment of request received towards Nominee addition, cancellation and or change of Nominee. The Bank shall register the request made by locker hirer(s) for nomination, cancellation and or change in the respective records.

10. Locker Operations

10.1 Regular Operations by Customers:

The locker hirer and/or the persons duly authorized by him/her only shall be permitted to operate the locker. The operation will be allowed only 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) at which they have opened and closed the locker and obtain their signatures. The ingress and egress 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.

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 during the operations when customers access the lockers at the same time.

10.2 Internal Controls by Bank:

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. Bank shall conduct surprise periodic verification of surrendered/vacant lockers and their keys by an officer of the bank who is not connected with their custody and proper record will be maintained as a proof of such verification.

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

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 will 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.

11. Nomination Facility and Settlement of Claims

11.1 Nomination facility

The bank shall offer nomination facility in case of safe deposit lockers 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 will be followed i.e., where the nominee is a minor, the locker hirer or, as the case may be, all the locker hirers together, may, while making the nomination, appoint another individual who is not a minor, to receive the contents of the locker on behalf of the nominee in the event of the death of the locker hirer or, as the case may be, all the locker hirers during the minority of the nominee. 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.

Nominations shall be made prescribed under Banking Companies (Nomination) Rules, 1985/Co-operative Banks (Nomination) Rules, 1985, only. Bank shall acknowledge 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. Thumb impression(s) shall be required to be attested by two witnesses. Signatures of the account holders need not be attested by witnesses.

11.2 Settlement of Claims in case of death of a Customer

Bank shall settle the claims of a deceased customer in accordance with the Board approved policy for the release of contents of safety lockers to the nominee, which is in conformity with the regulatory instructions and the Model Operational Procedure (MOP) formulated by the IBA and or Co-operative

Banks (Nomination) Rules, 1985 and the relevant provisions of Indian Contract Act and Indian Succession Act for settlement of claims of the deceased customers.

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, bank shall devise its own claim formats, in terms of applicable laws and regulatory guidelines.

11.3 Time limit for settlement of claims:

Bank 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 locker hirer depositor and suitable identification of the claimant(s) with reference to nomination, to the bank's satisfaction.

Bank 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 thereof. 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.

11.4 Deceased Locker Accounts:

Access to the articles in the safe deposit locker/return of safe custody articles:

Bank will adhere to the provisions of Sections 45 ZC to 45 ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985 and the relevant provisions of Indian Contract Act and Indian Succession Act. Branches shall prepare an inventory before returning articles left in safe custody/before permitting removal of the contents of a safe deposit locker as advised in terms of RBI Notification DOR.LEG.REC/40/09.07.005/2021-22 dated 18th August 2021.

Access to safe deposit lockers (with survivor/nominee clause):

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 bank 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 bank 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 bank shall follow the mandate in the event of death of one or more of the joint locker-hirers.

Bank shall, however, ensure the following before giving access to the contents to nominee/survivor:

- (a) Due care and caution shall be exercised in establishing the identity of the survivor(s)/nominee(s) and the fact of death of the locker-hirer by obtaining appropriate documentary evidence,
- (b) Diligent efforts shall be made to find out if there is any order from a competent court restraining the Bank from giving access to the locker of the deceased, and
- (c) It shall be made clear to the survivor(s)/nominee(s) that access to locker/safe custody articles is given to them only as a trustee of the legal heir(s) of the deceased locker-hirer, i.e. such access given to him/

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 bank 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 bank shall prepare an inventory of the articles in the presence of two independent witnesses, one officer of the bank 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.

The bank 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 of the bank, as the case may be, are received and the locker is empty and they have no objection to allotment of the locker to any other customer as per norms.

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 of indemnity or surety from the survivor(s)/nominee(s), unless there is any discrepancy in nomination.

Access to the safe deposit lockers (without survivor/nominee clause):

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, bank shall adopt the Board approved policy to facilitate access to legal heir(s) /legal representative of the deceased locker hirer.

Other aspects of providing access to Survivor(s)/Nominee(s)/Legal heir(s):

Further, in case the nominee(s)/survivor(s)/legal heir(s) wishes to continue with the locker, branches may enter into a fresh contract with nominee(s)/survivor(s)/legal heir(s) and also adhere to KYC norms in respect of the nominee(s)/legal heir(s).

12. Closure and Discharge of locker items - Break open of Lockers

This 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 under any one of the following circumstances:

- (i) If the hirer loses the key and requests for breaking open the locker at her/his cost; or
- (ii) 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
- (iii) If the bank is of the view that there is a need to take back the locker as the locker hirer is not co-operating or not complying with the terms and conditions of the agreement. Break Open charges shall be recoverable from the hirer/s. Bank shall engage the suppliers of the locker unit to break open the lockers

12.1 Discharge of locker contents at the request of customer

If the key of the locker, supplied by bank is lost from 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 break 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 shall be communicated to the locker hirer.

The opening of the locker has to be carried out by the bank 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 bank. 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.

12.2 Attachment and recovery of contents in a Locker by any Law Enforcement Authority

In case of attachment and recovery of the contents in a locker of a customer 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 bank shall co-operate in execution and implementation of the orders.

The bank shall verify and satisfy itself about the orders and the connected documents received for attachment and recovery of the contents in a locker. 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 bank and shall be signed by all. A copy of the inventory may be forwarded to the customer to the address available in the bank's records or handed over to the customer against acknowledgement.

Bank 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.

12.3 Discharge of locker contents by bank due to non-payment of locker rent

Bank 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. The customers shall be notified through SMS and E-mail one month before the due date of rent payment and also if the rent payment is overdue. If the rent stands unpaid during the month in which it is due, steps shall be taken by the bank to contact/intimate the hirer/s to recover the locker rent. If the rent remains unpaid for three years, before breaking open the locker the bank shall give final notice/intimation to the locker-hirer through a registered letter, 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 bank shall issue public notice in two newspaper dailies (one in English and another in local language) giving reasonable time to the locker-hirer 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 bank and two independent witnesses. Further, bank 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. Bank 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 bank shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future. Bank shall ensure that the inventory prepared after breaking open of the locker and during settlement of claims, is in the appropriate forms as annexed to this policy. Further, bank 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.

12.4 Discharge of locker contents if the locker remains inoperative for a long period of time

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. Before breaking open the locker, the bank shall follow the procedure as prescribed above for 'Discharge of locker contents by bank due to non-payment of locker. Bank shall ensure that the procedure to be followed by them for disposal of the articles left unclaimed for a reasonably long period of time as mentioned above will be mentioned in the locker agreement.

13. Compensation Policy / Liability for Bank

The bank shall not be liable for any damage and/or loss of contents of locker arising from natural calamities like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer. Bank shall, however, exercise appropriate care to their locker systems to protect their premises from such catastrophes. Liability of bank arising from events like fire, theft, burglary, dacoits, robbery, building collapse or in case of fraud committed by the employees of the bank. It is the responsibility of bank 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, dacoit, building collapse do not occur in the bank's premises due to its own shortcomings, negligence and by any act of omission/commission. As bank 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 bank' liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

13.1 Branch Insurance Policy:

Bank, with the approval of their Board, shall have a branch insurance policy to minimize the loss due to incidents like robbery, fire, natural calamities, and loss during shifting/merger of branch, etc., affecting contents of lockers. Insurance of locker contents by the customer Banks shall clarify in their locker agreement that as 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. Banks shall under no circumstances offer, directly or indirectly, any insurance product to its locker hirers for insurance of locker contents.

13.2 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 the website 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 on the website. Bank shall place on the 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).

14. Right to alter or add Rules

The Bank reserves the right to alter or add to these rules in line with the regulatory guidelines and such alteration/ additions/ shall be binding on the account holder. Such alteration will be made known to the account holder through website.