

THE QUILON CO-OPERATIVE URBAN BANK Ltd.No. 960

Locker Policy and procedure

1. Introduction: Safe deposit lockers facility is one of the ancillary services extended by bank at our branches. The locker units will be leased out to customers after obtaining adequate KYC documents. The relationship between the banker and the customer of a locker is that of lessor and lessee.
 2. 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.
 3. Bank's 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.
 4. Allotment of locker: Allotment of lockers shall be based on the duly filled in 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. Due diligence of KYC norms, will be duly applied before allotment of locker.
 5. Wait List of Lockers: Branches will maintain a wait list for the purpose of allotment of lockers and will ensure transparency in allotment of lockers. All applications received for allotment of locker will be acknowledged and given a wait list number.
 6. Fixed Deposit as Security for Lockers: To ensure prompt payment of locker rent, at the time of allotment, a minimum fixed deposit is obtained which would cover 3 years' rent and the charges for breaking open the locker in case of an eventuality. However, bank will not insist on such term deposit from the existing locker holders.
 7. Providing a copy of the Agreement of heir: Branches will give a copy of the Agreement of heir to the locker-hirer at the time of allotment of the locker, if preferred by the customer.
 8. Rental Tariff and Recovery of Rent: Locker rent and service charges will be decided by the Bank, depending on the size of lockers from time to time. The rent tariff and related service charges will be publicized among the customers, suitably.
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9. Recovery of rent from hirer(s): Safe Deposit Locker rent will be payable in advance and in the event of locker rent remaining unpaid for more than 3 years, the Bank will have the right to refuse access to the locker and to break open the locker. The lease period of one year will start from the date of hiring the locker and will continue till the preceding day of the corresponding date in the subsequent year. Locker rent will be recovered on annual basis.

10. Breaking open of locker :

➤ Discharge of contents due to non-payment of locker rent: If the locker rent remains unpaid for more than 3 years, bank may break-open the locker after following the procedure laid down. Before breaking open the locker, the bank shall give due notice to the locker-hirer through a letter at the address provided by the first hirer. Email and SMS alerts may also be sent if such details are provided by the hirer. If the letter is returned undelivered or if the locker hirer is untraceable, the bank will issue public notice mentioning name(s) of hirer(s) in two newspapers dailies (One in english and another in local language) giving reasonable time (30 days) to 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.

➤ Discharge of locker contents if the locker remains inoperative for a period of 7 years: 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 give due notice to the locker-hirer through a letter at the address provided by the first hirer. Email and SMS alerts may also be sent if such details are provided by the hirer. If the letter is returned undelivered or if the locker hirer is untraceable, the bank will issue public notice mentioning name(s) of hirer(s) in two newspapers dailies (One in english and another in local language) giving reasonable time (30 days) to 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.

➤ The banks 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 bank from liability in case the locker is not in operation and the locker is opened by the bank 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.

Further, bank shall record a video of the break open process together with inventory assessment and its safe keep and preserve the same as evidence in case of any disputes or court case in future. The details of break open will be documented in CBS system as well as in the locker register.

After breaking open of locker, the contents of locker shall be kept in sealed envelope with detailed inventory inside fireproof safe in a temper-proof way until customer claims it. While returning the contents of the locker, the bank shall obtain acknowledgement from the customer on the inventory list to avoid future disputes.

11. Inventory of Contents of Locker: Bank shall ensure that the inventory is prepared as per the form after breaking open of the locker and also during settlement of claims. Bank shall not open sealed/ closed packets found in the locker unless required by the law.

12. Operations of Safe Deposit Lockers: Branches will exercise due care and necessary precaution for the protection of the lockers provided to the customer. The Bank will 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 bank shall send a email or SMS on the registered mobile no of the hirer with the bank before end of the day as a positive confirmation intimating the date and time of locker operation. The Hirer/s can operate the Safe Deposit Locker only on the Bank's working days and during the business hours of the Bank. Before operating the locker, the hirer/s should sign the locker operation register which shall be kept at the bank. The Locker can be surrendered at any time without any damage. Bank will charge operation charges beyond 24 times in a financial year.

13. Security of the Strong Room/Vault:

- Branches shall take necessary steps to ensure that the area in which the locker facility is housed is properly secured to prevent criminal break-ins and risks of accessibility of an allotted locker from any side without involvement of the locker-hirer concerned may be assessed and kept on record.
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- Branches should ensure that there is a single defined point of entry and exit to the locker room/vault and 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 Head office- Security / Premises Department shall conduct necessary engineering / safety verification regularly to identify the risks and carry out necessary rectification.
- Branches should ensure that the area housing the lockers remains adequately guarded at all times and there is proper installation of Access Control System for restricting any unauthorized entry and for creating digital record of access to locker room with time log.
- The staff dealing with lockers shall be well properly trained about the security procedure.
- The internal auditors during Risk based Internal Audit (RBIA) shall verify and report the compliance of all above points to ensure that the branches are strictly adhering the security procedures.

14. Internal Controls and Checks: Internal Auditor of the bank will conduct surprise periodic verification of surrendered/ vacant lockers and their keys. Proper record/ remark pertaining to such verification should be mentioned on the locker register as well as in the internal report to be placed before the Audit Committee of the Board (ACB).

15. Precautions to be taken by Bank staff: The bank officer shall check whether the lockers are properly closed post locker operation. If the same is not done, the locker hirer must be intimated immediately. 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.

16. Customer due diligence : Branches will carry out customer due diligence for both new and existing customers to the levels prescribed for customers classified as low risk. If the customer is classified in a higher risk category, customer due diligence as per KYC norms applicable to such higher risk category should be carried out. Measures relating to lockers which have remained un-operated for more than three years for medium risk category or one year for a higher risk category, branches will immediately contact the locker-hirer and advise him to either operate the locker or surrender it. This exercise will be carried out even if the locker hirer is paying the rent regularly. Further, branches will

ask the locker hirer 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 will allow the locker hirer to continue with the locker operations. In case the locker-hirer does not respond nor operate the locker, branches will consider opening the lockers after giving due notice to him.

17. Embossing identification code: Branches will ensure that identification Code of the bank / branch is embossed on all the locker keys with a view to facilitate authorities in identifying the ownership of the locker keys.
 18. Breaking Open of Locker: Break-open of locker may happen either at the request of the hirer/s or by the bank for default in payment of prescribed charges for or for any other reason. Break Open charges shall be recoverable from the hirer/s. Branch Manager should obtain the written request from the hirer(s) in prescribed **Form** along with valid ID proof and forward the application for the approval of the Board of Directors. Bank shall engage the suppliers of the locker unit to break open the lockers. When the break-open of locker is done at the request of the hirer, the same shall take place in the presence of the hirer(s) or his/their nominee, as the case may be, two bank officials and two independent witnesses.
 19. When the break-open of locker is done at the instance of the bank, the hirer(s) shall be provided notice(s) in advance and publication in any two local newspaper (If the notices are returned undelivered) as per the internal procedures and then it will be broken open by the representative of the manufacturers /suppliers in the presence of two respectable non-staff independent witnesses, in addition to the officer of the branch as per procedure defined at Sr. No. 10 hereinabove.
 20. Appropriation of “Fixed Deposit as Security for Locker” towards overdue locker rent and other Bank charges: In cases of break-open of lockers is carried out by the Bank for non-payment of locker rent, the Fixed Deposit kept as Security for Locker, will be appropriated for recovery of expenses incurred by the Bank in
 - Breaking open the locker,
 - Replacement of lock, and
 - Recovery of Bank’s dues on account of overdue locker rent along with Interest and Charges.
 21. Freezing / Unfreezing of Lockers: The Bank will give due cognizance to orders received
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from a competent authority having statutory powers for freezing / unfreezing of locker.

22. Nomination Facility: The banks shall offer nomination facility in case of safe deposit lockers, in accordance with the provisions 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 banks. 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.
 23. Death of the hirer: Notice of knowledge of the death of a hirer or a surviving hirer in the case of lockers with mode of operation as 'Either or Survivor' , 'Any one or survivor/s' or "former or survivor" or any other survivorship clause, will be recorded in the Locker Register with date and source of information under the initials of an officer. As a further precaution, a slip reading 'hirer deceased' will be pasted on the locker. Thereafter access to the locker should be allowed on production of legal representation. Access may however be allowed, for making an inventory of the contents with a view to obtaining the necessary legal representation to known heirs of the deceased in the presence of their lawyers / solicitors or to persons authorized by a court for this purpose. Where authority has been given to the survivor or survivors to operate the locker in writing specifically at the time of lease of the locker or during the period by all hirers, in the case of joint account, the question of legal representation does not arise unless the survivor also dies. Section 45ZE of the Banking Regulation Act, 1949 does not preclude a minor from being a nominee for obtaining delivery of the contents of a locker. However, the responsibility of the branches in such cases will be to ensure that when the contents of a locker were sought to be removed on behalf of the minor nominee, the articles were handed over to a person who, in law, is competent to receive the articles on behalf of the minor.
 24. Procedure for return of contents of Lockers to Survivor/Nominee/Legal heirs: In order to ensure that the contents of lockers are returned to the genuine nominee, as also to verify the proof of death, bank has devised our own claim formats and will also follow the procedure suggested by the appropriate authorities.
 25. Settlement of Claims in case of death of Locker Hirer(s):
 - i. 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 banks shall give access of the locker to such nominee with liberty to remove the contents of the locker, after obtaining claim
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application and an inventory of contents of locker.

- ii. The bank will obtain a separate statement from the person competent to receive articles on behalf of the minor nominee, that all the contents in the locker are received on behalf of minor and the locker is empty and they have no objection to allotment of the locker to any other customer.
- iii. In case the locker was hired jointly with survivorship clause and the hirers instructed that the access of the locker should be given over to "either or survivor", "anyone or survivor" or "former or survivor" or according to any other survivorship clause, banks will follow the mandate in the event of the death of one or more of the locker-hirers, after obtaining claim application and Declaration.

26. However, banks will take the following precautions before handing over the contents:

- (a) Branches will 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;
- (b) Branches will make diligent effort to find out if there is any order from a competent court restraining the bank from giving access to the locker of the deceased.
- (c) Branches will make it clear to the survivor(s) / nominee that access to locker is given to them only as a trustee of the legal heirs of the deceased locker hirer i.e., such access given to him shall not affect the right or claim which any person may have against the survivor(s) / nominee to whom the access is given.

Bank will note that since the access given to the survivor(s) / nominee (s), subject to the foregoing conditions, would constitute a full discharge of the bank's liability, insistence on production of legal representation is superfluous and unwarranted and only serves to cause entirely avoidable inconvenience to the survivor(s) / nominee (s) and would, therefore, invite serious supervisory disapproval. In such case, therefore, while giving access to the survivor(s) / nominee(s) of the deceased locker hirer, the bank will desist from insisting on 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 and until there is any discrepancy in nomination/ survivor(s).

27. Access to the safe deposit lockers (without survivor / nominee clause) : In order to avoid inconvenience and undue hardship to legal heir(s) of the locker hirer(s). 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, the bank will adopt a customer friendly claim procedure, for giving access to legal heir(s) / legal representative of the deceased locker hirer. The legal heir(s) will have to submit the claim form along with heir ship document such as Succession certificate, Inventory Proceedings, Will or Probate, Ration Card or any certificate issued by Govt Agency, along with 2 sureties who are to be our account holders, credit worthy, good for the amount and acceptable to the bank along with KYC documents of the legal heirs. In case of married legal heirs, NOC from the spouse has to be obtained for settlement of claim. However, in deserving cases the bank may sanction the claims to the legal heirs of the deceased by obtaining minimum required documents to the satisfaction of the bank.

28. Further, in case the nominee/ survivor(s) / legal heir(s) wishes to continue with the locker, banks may allot the same locker after entering into a fresh contract with nominee/survivor(s) / legal heir(s) and also adhering to KYC norms and procedure for allotment of fresh locker as under :

- a. The existing locker has to be surrendered after deletion of name of deceased hirer.
- b. Letter of vacating the locker & original Memorandum of hire of locker to be obtained from the hirer(s). If original Memorandum of hire is missing Affidavit/ Indemnity bond to be obtained.
- c. Advance rent (without taxes) paid if any may be refunded on Qtrly pro-rata basis.
- d. Fresh forms, Locker agreement and KYC of locker hirers to be obtained.
- e. After complying with other conditions as applicable for issue of new locker the same locker may be allotted with fresh ledger folio.

29. Surrender of Locker: Locker can be surrendered by the hirer/s at any time during the contract period through a written application and handing over of keys to the Bank Officials. Bank can also request for surrender of locker with due notice. In cases where the hirer wishes to surrender the locker before expiry of existing lease period, rent (without taxes) on quarterly pro-rata basis, if any, will be refunded. Surrender of the locker after expiry of the lease period, will be allowed on payment of arrears of locker rent, at the stipulated rate structure.

30. Settlement of Claim: Settlement of claim to the nominee or the legal heirs shall be subject to the following: Proper identification and establishing the identity of the survivor(s) / nominee(s) Production of death certificate issued by competent authority and after following the procedure mentioned at Sr. No. 24 & 25 as above. The claims of nature mentioned at Sr. No. 24 (i), (ii) & (iii) hereinabove may be settled by the Branch

Manager at branch level within 15 days from the date of receipt of claim and other documents to the bank's satisfaction. Also, there should not be any order from a competent court restraining the bank from giving access to the locker of the deceased. In case nomination is available, contents of the locker shall be delivered to the nominee after proper identification of the nominee, subject to production of necessary documents and after taking the inventory of contents of locker and receipt. Where no nomination/survivorship clause is available, settlement shall be made to the legal heirs as per conditions mentioned at Sr. No. 26. The claims of such nature should be invariably be forwarded to the Head Office by the branches with their recommendations.

31. Liability of the Bank: Bank will take all the steps to ensure safety and security of the premises in which the safe deposit vaults are housed. Bank will ensure that the incidents like fire, theft, burglary, robbery, dacoity, collapse of the building do not occur due to its own shortcomings, negligence and by any act of omission/commission. However, inspite of taking all the required measures, in the event of loss of contents of the lockers, either due to above mentioned incidents or attributable frauds committed by its employee(s), the banks liability shall be for an amount equivalent to one hundred times the prevailing annual rent (excluding taxes) of the safe deposit locker.
32. Other aspects: The Bank will exercise due care and necessary precautions for the protection of lockers and the locker hirer while operating the locker. In all cases except where locker is continued to be used by surviving hirers, locker key will be taken back from nominee/claimants, by terminating the original contract. In case the claimant does not have the locker keys, locker needs to be broken open. This should be done post obtaining documentation, charges and approval. Nomination, cancellation or variation in existing nomination can be made either at the time of hiring of the locker or subsequently at any time during occupancy of the locker. The prescribed form of nomination or cancellation / variation of nomination, as the case may be submitted by the hirer/s duly completed in all respects, which will be recorded in a register/computer system maintained with the Bank and an acknowledgement, will be given to the hirer. No notice of claim of any person, other than hirer/s of a locker, will be entertained by the Bank. The Bank is also not bound by any such notice even though expressly given, provided that where any decree, order, certificate or other authority from a court of competent jurisdiction relating to the locker or its contents is produced before the Bank, the Bank shall take due note of such decree, order, certificate or other authority. Where the hirer/s prefers not to nominate, the same will be recorded in the application form.
33. Disclaimer: The Bank will, in no way, be responsible / liable for the contents/articles kept in the locker by the hirer. In case of theft, burglary or similar unforeseen events.

action will be initiated as per law and the liability of the bank will be limited as mentioned at Sr. No. 30.

34. Force Majeure: Bank shall not be liable if any transaction does not fructify or may not be completed or for any failure on part of the bank to perform any of its obligations contemplated hereunder if performance is prevented, hindered or delayed by a force majeure event (defined below), and in such case its obligations shall be suspended for so long as the Force Majeure.

“Force Majeure Event” means any event due to any cause beyond the reasonable control of the Bank, including without limitations, unavailability of any communication systems, breach, or virus in the processes or payment or delivery mechanism, sabotage, fire, flood, explosion, natural disasters or other “Acts of God”, war, damage to the bank’s facilities or of its correspondent bank(s), civil commotion, strikes or industrial action of any kind, riots, insurrection, acts of government, computer hacking, unauthorized access to computer data and storage devices, computer crashes, malfunctioning in the computer terminal or the systems getting affected by any malicious, destructive or corruptive code or program, mechanical or technical errors/failures or power shut down, faults or failures in telecommunication etc., which prevents it from performing its obligations within the specified service delivery parameters.

35. Insurance: Bank has no liability to insure the contents in the locker. Since the bank is not keeping records of the contents of the locker or of any articles removed there from or placed there in by the customer.
36. Bank shall send SMS alert / email to the registered email ID/Phone number intimating the date and time of operation of locker, before the end of the same day itself.
37. List of vacant locker vault shall be published in the notice Board of the Bank.
38. Model Locker Agreement and related documents shall be published in the web site of the Bank.
39. Right to alter or add Rules: The Bank reserves the right to alter or add to these rules and such alteration and additions shall be binding on all locker holder(s). Such alteration will be made known to the locker holder through website.
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