

THE VARACHHA CO-OP BANK LTD., SURAT

LOCKER BREAK OPEN POLICY

[Part of Bank's Safe Deposit Locker Policy]

Breaking open of a locker shall be conducted under any of the following circumstances:

- (1) If the key supplied by the bank lost by the hirer and request for breaking open the locker at their cost; **or**
- (2) If the Government enforcement agencies have approached the bank with orders from the Court or appropriate competent authority to seize locker and requested for access to the locker; **or**
- (3) If the locker hirer is not co-operating or not complying with the terms and conditions of the agreement or hold locker in inoperative since long.

(1) Discharge of locker contents at the request of hirer

- 1.1** In the cases of loss of locker key supplied by the bank to the locker hirer our branch officials will ask the hirer to submit a written application with signatures of all joint hirers, if any, thereafter the supplier of locker cabinet will be informed for break open.
- 1.2** All charges for break opening of the locker, changing the lock and replacing the lost key will be recovered from the hirer.
- 1.3** An undertaking shall be obtained from the hirer that the lost key, if found in future, will be handed over to the bank.
- 1.4** Authorized technician of locker cabinet supplier company shall break open the locker after obtaining the consent of bank and locker hirer(s).
- 1.5** The break open of locker shall be done in the presence of the all joint hirers and an authorized official of the bank. Proper care shall be taken that the adjoining lockers are not impacted by such operations and the contents of the lockers are not exposed to any individual other than the locker-hirer during the break-up process.

(2) Attachment and recovery of contents/articles in a Locker by any Law Enforcement Authority

- 2.1** Our bank shall co-operate in execution and implementation of the orders 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.
- 2.2** Our bank shall verify and satisfy about the orders and the connected documents received for attachment and recovery of the contents in the locker. The locker hirer shall be informed telephonically or by letter or by email / SMS available on bank's record that the Government Authorities have approached for attachment and recovery or seizure of the locker.

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2.3 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. Bank shall demand a valid acknowledgement from the concern Authority.

2.4 A copy of inventory and acknowledgement provided by the Authority shall be forwarded to the customer through registered post with AD to the address available in the bank's records or shall be handed over to the customer against acknowledgement.

2.5 In such break open process our bank shall record a video and preserve the video to produce as evidence in case of any dispute or Court or fraud case in future.

(3) Discharge of locker contents due to locker remains Inoperative for a long and / or due to Non-payment of locker rent

3.1 Despite repeated reminders to regularize the locker as per agreement terms and conditions, some of the locker hirer neither operate their locker since long nor turn up for either paying the overdue rent and /or vacate the locker. In such cases, the branches are neither able to re-allot the same to other needy customers nor recover the rent in arrears. Hence, if any locker remains inoperative for a period of seven years or more even if rent is being paid regularly or if the locker is in operative status but rent remains unpaid continuously for a period of three years, in both situation bank shall have the discretion to break open the locker.

3.2 Before breaking open, the locker hirer shall be served a 3 (three) month's "**Termination Notice**" by registered post with AD, also by email (if provided) informing to surrender and vacate the locker and submit the key provided by the bank.

3.3 If the hirer fails to surrender and vacate the locker and submit the key within the stipulated time period of Termination Notice then bank shall proceed for break open and hirer shall be served a 3 (three) month's "**Break Open Notice**" by registered post with AD, also by email (if provided). In addition to such notice, branch shall also take all possible efforts to contact the hirer by sending the staff member at the address available on bank's record or changed address if available from the neighbors or from any other source.

3.4 Bank will issue Break Open Notice immediately if the Termination Notice returned undelivered, and if, Break Open Notice also returned with the same remark and the locker hirer found un-traceable, then our bank will issue a public notice about the bank's intention to break open the locker in 2 (two) newspapers (one in English and another in Local language) providing time period of 3 (three) months.

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- 3.5** After issuing above notices and on completion of time period still the hirer does not contact the bank then breaking open of such locker would be done in the presence of branch manager, branch officer, bank's panel valuer and two independent persons as witnesses.
- 3.6** The sanctioning authority for break open of locker will be any one from bank's AGM jointly with GM / DGM.
- 3.7** Upon breaking open the locker, a list of contents found from the locker will be prepared and get valuation of the contents from the panel valuer and the contents shall be kept and sealed in a box / envelope along with the list of inventory duly stamped and signed by all of above present during the entire break open process and lastly the sealed box / envelope shall be kept in the safe of respective branch until hirer claims or maximum for a period of 7 (seven) years from the date of break open.
- 3.8** If nobody claims during 7 (seven) years, then disposal of contents of locker shall be done by sale in public auction and the sale proceeds shall be applied first towards the collection of dues to the bank which shall include outstanding rent till break open, double the amount of outstanding rent from break open to the date of disposal, breaking open charges, and any other dues. Remaining balance if any, shall be held for the disposal at the order of the hirer or transferred to DEAF as per RBI norms.
- 3.9** Before proceed for sale of contents by conducting public auction hirer shall be served an "**Auction Notice**" providing 3 (three) months' time period by registered post with AD, also by email (if provided) about the intention of the bank to auction the contents of the locker for recovery of the dues of the bank. The Auction notice shall contain date, time and place of auction and a copy of inventory of the contents made.
- 3.10** Upon breaking open the locker, if nothing is found in the locker, a statement to that effect should be prepared and signed by all of above.
- 3.11** Our branch shall record a video of entire break open process together with inventory assessment and preserve it safe so as to provide evidence in case of any dispute or court case in future.
- 3.12** Complete details of locker break open shall be documented in the locker key register as well as in CBS.
- 3.13 Delivery of Articles to the Locker hirer after break open;** When locker hirer(s) comes to the branch to take physical delivery of his / her locker contents after break open and agree to clear all dues, concerned branch will follow the procedure as under before handing over the articles.
- Branch shall verify the identity and specimen signature/s of the hirer(s) as per record, conduct due diligence and obtain latest KYC proofs as per guidelines also

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obtain a request letter with signature of all joint hirers for taking delivery of locker contents mentioning the reason of not adhering the terms and conditions of the agreement.

- On satisfaction, branch will collect outstanding rent till break open period, double the amount of outstanding rent from break open to the date of delivery, breaking open charges, and any other dues if any.
- Branch will collect a letter of acknowledgement of articles as per inventory from locker hirer(s) duly signed by all joint hirers.
- Branch will also collect a consent letter from the locker hirer(s) that all the items mentioned in the inventory list is complete in all nature and in the same condition which they had kept in the locker and they do not have any complaints or dispute and bank have no more liability in this regard.

Review/Revision of the Policy

As a policy matter, we review and revise the policy suitably as and when required or fresh instructions / guidelines are issued by RBI. The Board of Directors reviewed / revised this LOCKER BREAK OPEN POLICY in the Board Meeting **Dt. 10/09/2024 vide Resolution No. 26.**

The Varachha Co-op. Bank Ltd., Surat

General Manager

Chairman