

THE VARACHHA CO-OPERATIVE BANK LTD., SURAT

SAFE DEPOSIT LOCKER POLICY

This Safe Deposit Locker policy is based on RBI circular no. RBI/2021-2022/86, DOR. LEG.REC/40/09.07.005/2021-22 dated 18.08.2021 on "Safe Deposit Locker / Safe Custody Article Facility provided by the banks – Revised Instructions, applicable to new as well as to existing safe deposit lockers and the safe custody of articles facility with the bank.

In this regard all of our branches shall exercise due care and necessary precaution for the protection of the lockers provided to the customers and will strictly adhered to the procedures, advice as applicable from time to time.

[1] Customer Due Diligence (CDD)

- Those who wants to avail locker facility with our bank shall must require to fulfil the CDD measures as per Know Your Customer (KYC) Directions, 2016 (as updated from time to time). The due diligence shall be carried out for all the joint holders with recent passport size photograph in whatever rights and capacities they may be hiring the locker.
- KYC assessment for safe deposit locker customers (either new or existing), shall be done as per the risk categories attributable to their bank account.

[2] Locker Allotment

- All our branches shall maintain a list of vacant lockers as well as a wait-list in CBS for the purpose of allotment of lockers and ensure transparency in allotment of lockers and shall acknowledge the receipt of request for allotment of locker and provide a wait list number generated in CBS system to the applicant, only if the lockers are not available for allotment.
- Allotment of locker shall be made for customer's own use and not for the use of any other person on behalf of customer.
- On allotment of locker hirer can use the locker for the purpose of storing valuables like jewellery and documents but not for storing any cash, arms, weapons, explosives, prohibited drugs, perishable and/or radioactive material, any illegal substance, any material which can create any hazard or nuisance to the bank or any of our customers.

[3] Model Locker Agreement

- Our bank has adopted Model Locker Agreement framed by IBA and approved by our board. This agreement is in conformity with the revised instructions of RBI.
- At the time of allotment of locker to a customer, our bank shall enter into an agreement with the customer to whom the locker facility is provided, on a paper duly stamped. After execution of agreement a xerox copy of the same will be provided to the locker hirer for the knowledge of his / her rights and responsibilities and original agreement shall be kept with respective application form.

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- The customer shall have no right or property in the locker other than the right to access and use the locker in accordance with the terms and conditions mentioned in the locker agreement.

[4] Locker Rent

- At the time of locker allotment our bank shall obtain “Locker Deposit” which would cover three years rent and the approximate charges for breaking open the locker to manage the potential situations where the locker hirer neither operates the locker nor pays the rent.
- Minimum rate of interest on such deposit shall be as per rate applicable to savings deposits.
- In the cases of surrender of locker by a customer, the advance rent if any collected shall be refunded to the customer proportionately.
- If the event of merger / closure / shifting of branch warranting physical relocation of the lockers, our bank shall give public notice in two newspapers (including one local daily in vernacular language) for the intimation of customers 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, our bank shall make efforts to intimate our customers suitably at the earliest.

[5] Security of Strong Room/Vault

- To prevent criminal break-ins and secured enough to protect against hazard of flood water entering and damaging the lockers in contingent situations our bank shall ensure that the area in which the locker facility is provided is properly secured.
- The place where the lockers are housed must be structured with RCC. Necessary opening shall be given for the door and ventilators as recommended by the locker cabinet manufacturer company with additional reinforcement.
- Our branches shall have a single defined point of entry / exit to the locker room / vault.
- The area housing the lockers will be adequately guarded.
- Entry / exit of the strong room and the common areas of premises shall be covered under CCTV camera and preserve its recording for a period of 180 days by our bank. 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, our bank shall preserve the CCTV recording till the police investigation is completed / settled.

[6] Locker Standards

- All new lockers to be installed shall conform to basic standards / benchmarks for safety and security standards applicable in this regard.
- Embossment of branch code on all locker keys is must and will continue it in new lockers also.

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- Locker hirer shall be permitted to operate the locker only with the keys issued by the bank. Custodian / concerned staff of our branch will check the embossment of branch code on the keys while customer comes for operation to ensure that the key is in proper condition and not duplicated by the customer.
- In our locker cabinet there is a provision of renter's lock and the customers will allowed to use this facility at his / her own cost.

[7] Locker Operations

- Locker hirer shall be allowed to operate his / her locker on working days during the business hours. However, if our bank is not being able to operate for any reason beyond control such as flood, riots, curfew and lockout etc., our bank shall not have any obligation to allow operation of locker.
- Prior to allowing locker operation custodian / concerned staff of respective branch will verify the identity / signature with branch record of the person who comes to operate the locker. Our branches will maintain a register for the same.
- Our branches will maintain the record of locker operations in CBS also with date and time with check-in check-out details.
- Record of in and out from locker vault room by any vendor, cleaner, technician, electrician or by any third party will be maintained at branch level.
- To provide adequate privacy to the hirer in the locker operation the custodian / concerned staff of the branch shall not remain present after unlocking the first (Master) key.
- Our bank shall send SMS alert to the registered mobile number of locker holder prior to allow access in the locker room as a positive confirmation intimating the date and time of the locker operation to avoid unauthorized locker access.
- Our bank shall recommend the locker hirer to operate the locker regularly, or at least once in a year, to prevent inoperative status.

[8] Internal Controls

- After surrender of a locker by the hirer, locker lever will be changed by the branch and maintain the record for the same.
- Master key and the keys of unoccupied / surrendered lockers will be kept under joint custody at branch level.
- Branches should have to surrender the Duplicate master key at administrative branch.
- At the time of official surprise periodic visit of branch by the GM/DGM/AGM or any senior officials, they will also verify the unoccupied / surrendered lockers and their keys and keep the record of such verification.
- Our branches shall maintain a Locker Key Issue Register and update regularly if there is any changes.
- Our branches shall also maintain a locker operating register in which the entries of daily operations are recorded with appropriate signatures.

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- Custodian / concerned staff of the branch will check whether the locker is properly closed post locker operation, if not, then he will report the branch manager and locker-hirer shall be intimated immediately. Branch manager shall record the fact of not closing the locker properly in the locker operating register and its closure by the bank with the date and time.
- Custodian / concerned staff of the branch will also carry out a physical check of the locker room at the time of closure of locker room at end of the day to ensure that lockers operated during the day are properly closed, and there is no any person trapped in the locker room.

[9] Nomination Facility and Settlement of Claims

- Our bank shall provide nomination facility to the customers in Form DA-1 for deposits and SL-1 for articles left in the locker.
- Customers are also provided with the facilities of cancellation or variation of the nomination and the details will be properly recorded in CBS.
- Customers shall be acknowledged for the receipt of nomination made by them.
- In case the nominee is a minor and if customer is agree, our branches may obtain a passport size photo of the nominee duly attested by the customer and preserve in the record.

[10] Redressal mechanism in case of unauthorized access of locker

- Unauthorized access of locker belongs to access to a customer's locker without their consent or permission. In such case customer should have to report in writing immediately to the branch manager.
- On receipt of complain, branch manager will inspect the locker in the presence of customer at the same time and if he found so, then he will conduct a preliminary investigation in this regard and inform the administrative office in writing.
- Our bank will conduct an internal enquiry to identify the cause and responsibility within 7 working days from the date of branch reporting.
- If unauthorized access of locker is confirmed, then bank will take disciplinary action against the responsible employee/s as per board's decision and/or lodge police complain.
- To avoid reoccurrence of such incident, bank will review and strengthen the loop holes through which unauthorized access of locker was held.

[11] Settlement of Claims in case of death of hirer

- Our bank shall settle the claims in respect of deceased locker hirer(s) and shall release the contents of locker to survivor(s) / nominee(s) / claimant(s) as the case may be, within a period not exceeding 15 days from the date of receipt of the claim application with required documents as prescribed in our bank's board approved "**policy on settlement of claim in respect of deceased depositor and missing person**".
- Our bank shall, however, ensure the following before giving access to the contents to nominee(s) / survivor(s) / claimant(s):

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- (i)** Exercise due care and caution in establishing the identity of the survivor(s) / nominee(s) / claimant(s) and the fact of death of the locker hirer by obtaining appropriate documentary evidence;
 - (ii)** Make diligent effort to find out whether there is any order or direction from Court / Forum restraining it from giving access to the locker of the deceased;
 - (iii)** Make it clear to the survivor(s) / nominee(s) / claimant(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 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.
- Our 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, our 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 and the claimant(s), who may be a nominee or an individual receiving the articles, on behalf of a minor.

[12] Break open of locker

- Breaking open of locker shall be conducted under any one of the following circumstances:
- (i)** if the hirer(s) loses the key and requests for breaking open the locker at their cost;
or
 - (ii)** 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**
 - (iii)** 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. [In some special case of inoperative status, bank may allow relaxation for a time period to the locker hirer to continue in case the locker hirer has some genuine reasons such as hirer is out of city due to transferrable job or had gone abroad for a certain period, passing through any medical emergencies etc.]

Our bank have framed a Board approved separate SOP named as "LOCKER BREAK OPEN POLICY"

[13] Liability and Risk management

- Liability of our bank on the locker shall be subject to limitation under the applicable law and regulations.
- Our Bank shall be liable for any loss or damage to the contents of the lockers due to our negligence hence our 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.

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- It is the responsibility of our bank to take all steps for the safety and security of the premises in which the safe deposit vaults are housed and ensure that incidents like fire, theft / burglary / robbery / dacoity do not occur in the bank's premises due to our own shortcomings, negligence and by any act of omission/commission.
- In instances where loss of contents of locker occurred due to incidents mentioned above or attributable to fraud committed by our employee(s), our bank's liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.
- Our bank 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. Our bank shall, however, exercise appropriate care to our locker systems to protect our premises from such catastrophes.
- Our branch premises shall be covered with insurance to minimize the loss due to incidents like robbery, fire, natural calamities, and loss during shifting / merger of branch, etc., affecting lockers. Bank shall have no any liability to insure the contents of the locker against any risk whatsoever. Our bank shall under no circumstances offer, directly or indirectly, any insurance product to our locker hirers for insurance of locker contents.

[14] Customer guidance

- Our bank shall display on our website the updated safe deposit locker policy, locker break open policy, settlement of claims in respect of deceased depositor and model locker agreement with all terms & conditions for the knowledge of our customers.

Review / Revision of the Policy

As a policy matter, we review and revise the policy suitably as and when required or fresh instructions / guidelines issued by RBI. The board of directors reviewed / revised this SAFE DEPOSIT LOCKER POLICY in the board meeting **Dated 10/09/2024 vide Resolution No. 26.**

The Varachha Co-op. Bank Ltd., Surat

General Manager

Chairman