



The Trichur Urban Co-operative Bank Ltd

Standard Operating Procedure for Locker Operations

Renting of safe deposit locker is a facility extended to the customers of our bank to enable them to keep their valuables/documents etc. in specially designed lockers on payment of a prescribed rent.

Customers who are not having any other banking relationship with the bank may be given the facilities of safe deposit locker/safe custody article after complying with the *Bank's KYC-AML- Policy* (as updated from time to time) and subject to on-going compliance.

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

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 signed by both the parties shall be furnished to the locker- hirer to know his/her rights and responsibilities. Original Agreement shall be retained with the branch where the locker is situated.*

When branch decides to allot a locker to a customer, it should obtain the following documents from the customer duly filled in all respects and signed by the renter(s).

1. Locker agreement

To ensure prompt payment of locker rent, a Term Deposit to be obtained , at the time of allotment, which would cover three years' rent and the charges for breaking open the locker in case of such eventuality. Branch, however, shall not insist on such Term Deposits from the existing locker holders. All the existing locker agreements will be renewed with new locker agreement.

2. Cost of stamps is to be borne by renter.

Locker Agreement:

When a safe deposit locker is let out for the first time, a stamped memorandum of letting should be obtained from the renter. The stamped Locker agreement should be retained with the branch and a photo copy of documents executed by the customer should be given.

3.Key register

The key numbers should be recorded serially. It should be maintained key wise to locker wise so as to facilitate tracing the number of locker from the key number. Further, when the locks of the lockers are interchanged, such changes should be immediately recorded in the key register. The register should be marked "Strictly Private" and kept in a safe.

4. Renter's daily attendance register :

The locker holders should write check-in time as well as check-out time in the daily attendance register after the specimen signature column.

5. Daily operations of lockers

The locker hirer shall be permitted to operate the locker after proper verification of their identity and recording of the authorization by the officials concerned of the branch. The branch shall maintain a record 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 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.



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The branch official 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 branch shall ensure that there is an adequate privacy to the locker-hirers in the operations when customers access the lockers at the same time. The renter can close the locker by operating his/her key.

An SMS alert to be sent to the 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 unauthorized locker access if any, should be redressed properly.

Where the locker rent is in arrears, operation on the said locker may not be allowed until the dues are paid.

- 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 of India. The Locker Register shall be updated in case of any change in the allotment with complete audit trails.
- There shall be a system of inter change of locks whenever the locker is surrendered by the hirer. 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.

The Branch 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 Branch 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 custodian of the locker shall, regularly/periodically, check the keys maintained in the branch to ensure that they are in proper condition. Branch 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 renter of a locker enjoys a confidential relationship with the Bank. The names of the lessees should not be divulged to any unauthorised persons.

Branches should exercise reasonable care in safeguarding the contents of the safe deposit lockers and prevent unauthorised entry to the room where the lockers are kept.

The custodian should ensure, as far as possible, at the time of operation of the lockers that the renters use the keys supplied by the Bank and he should be vigilant against use of duplicate or fake keys.

If an instance of using a duplicate key has been noticed by the custodian, the renter should be asked to surrender the locker. Such a fake key should immediately be sent to the company along with the lock for changing the levers and preparing a new key. Expenses should be recovered from renter apart from initiation of penal & criminal action for breach of trust, cheating.



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The "Master Key" should always be with the custodian during the office hours and should not be allowed to be handled by any unauthorised person.

6. Following procedure is to be followed in respect of overnight safe custody of Master Key of safe deposit lockers:

The Master Key of the safe deposit vault should be kept under dual control in a fire proof cabinet/safe inside the strong room.

Lockers should not be rented in fictitious names or in the names of alias. In case of lockers in joint names to be operated jointly, access to the lockers should be given to all of them at the same time. Therefore, the custodian should apply the master key only in the presence of all joint renters concerned. Branches should not use lockers for safe keeping of Bank's securities and documents. Safe deposit lockers should not be kept open beyond regular business hours notified to the clients. Even in the case of emergency, access should not be given to lockers outside business hours or to persons without proper authority even though well known to the branch. Grilled doors provided for the safe deposit vault should be kept closed in between the operation of lockers.

Wherever safe deposit cabinets are kept in a room or in an area not specially built for this purpose, branches must use the word SAFE DEPOSIT LOCKERS. Wherever these are kept in rooms or areas which are specially built according to our specifications the description should be SAFE DEPOSIT VAULT.

7. Procedure for disposal of valuable articles found

In case a valuable article is found in the safe deposit locker premises, the procedure detailed hereunder should be followed:

The article found should be recorded in a register to be maintained for the purpose with full details.

The articles as well as the register should be kept in the joint custody of the Branch Manager and Cashier.

Efforts should be made by making discreet inquiries without revealing the particulars of the article found to trace the owner after taking into account the place where it was located in the room, the time when it was found etc.

A report should be sent to the Chief Executive Officer/General Manager/Assistant General Manager about the articles found. The articles should be delivered as per his instruction against an indemnity bond signed by the applicant along with two respectable persons.

The identity of the person claiming the article should be established beyond doubt. He should be able to give a correct description of the article. The bills in respect of the purchase should be produced, wherever possible.

Other staff members or an outsider should not know the details and description of the articles found by the Custodian.

At the time of handing over of the article to the claimant, a receipt should be obtained from him in the register.



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8. Precautionary measures to ensure that no one is inadvertently locked inside

The custodian must ensure that no one is inadvertently left inside the vault before closing the vault/strong room doors. Special care must be taken at branches having large safe deposit vaults and at places where there are frequent power failures.

The custodian of the locker room should carry out a physical check of the locker room as well as of the inspection chambers, whenever provided, at the end of the day to ensure that no customer is inadvertently trapped in the locker room after banking hours.

9. Addition or deletion of name

The renter/s may be allowed to add the name of a person as a joint locker holder in which case necessary application and agreement should be obtained duly signed by the renter/s and also by the person whose name is to be added as a joint renter.

The addition in the name/s of renter/s should be recorded in red ink with date of addition in all the forms as well as books and in system with customer ID under authentication.

Branches may also allow deletion of the name of one of the joint locker holders at the written request of all the locker holders.

In both the cases a fresh memorandum of letting should be got signed by all renter/s (including the person whose name is being added or excluding the person whose name has been deleted, as the case may be).

Charges "as per bank's guidelines be levied for each addition/deletion.

.If a locker is rented in joint names to be operated jointly or severally, the bank cannot delete the name of the renter/s at the instance of the other renter or remaining renters. If one of the joint renters informs the bank that instructions regarding operation of the locker by either or any of them is to be cancelled, the Bank is bound to take cognizance of such instructions and in that event access to the locker can be allowed only to all renters jointly.

The difference in the above positions has been described in detail for clarity. Confusion is likely to arise when the name of another person added as a joint renter to a locker originally rented in a single name at the request of the sole renter. In such cases, the person whose name is added acquires all rights as a joint renter as if the locker was rented in joint names ab initio and the bank is not competent to delete his name at the request of the original renter.

10. Rent of lockers - accounting procedure:

Rentals should be collected in advance in respect of lockers allotted or renewed at the prescribed rate from time to time.

Normal rental period of locker will be one year. If locker hirer so desire, they may pay rent in advance as per their convenience. All rents recovered should be credited to P/L Commission (Locker rent) Account.

11. Refund of locker rent

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.



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12. Merger / closure / shifting of branch

If there is any event such as merger / closure / shifting of branch warranting physical relocation of the lockers, the Branch (in consultation with Head office) should give public notice in vernacular daily 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, Branch shall make efforts to intimate their customers suitably at the earliest.

13. Nomination in Locker

Nomination facility shall be offered 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 shall be followed. 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.

Branch 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. Locker module in the branch to be updated invariably to register the nomination, cancellation and / or variation of the nomination, made by the locker hirers'.

14. Access to the Articles in the safe deposit Lockers/return of safe custody articles

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, access of the locker shall be given 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 mandate shall be followed in the event of death of one or more of the joint locker-hirers.

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

- (i) 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;
- (ii) 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; and
- (iii) 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 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.

Similar procedure shall be followed for return of articles placed in the safe custody of the bank.

The Branch 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, an inventory of the articles shall be prepared in the presence of two independent



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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.

A separate statement shall be obtained 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, branch 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.

15. Closure and Discharge of Locker items

This part 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 or password 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.

16. Discharge of Locker contents at the request of the customer

If the key of the locker, supplied by bank is lost by the locker-hirer, the customer (locker hirer) shall notify the branch immediately. An undertaking may also be obtained from the customer that the key lost, if found in future, will be handed over to the branch. All charges for 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 / issue of new password 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.

17. Attachment and recovery of contents in a Locker and the articles in the safe custody of the Bank by any Law Enforcement Authority

In case of attachment and recovery of the contents in a locker of a customer or the articles left by a customer for safe custody of the Bank 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 Branch shall cooperate in execution and implementation of the orders.

The Branch shall verify and satisfy itself about the orders and the connected documents received for



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attachment and recovery of the contents in a locker or articles in the safe custody of the Bank. 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 Branch and shall be signed by all. A copy of the inventory may be forwarded to the customer to the address available in the Branch's records or handed over to the customer against acknowledgement.

18. Discharge of locker contents 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 branch 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. A clause has been incorporated in the locker agreement to this effect.

19. Procedure for Break open of Locker

Before breaking open the locker, the branch shall give due notice to the locker-hirer through email and SMS/letter alert to the registered email id and mobile phone number. Branches should invariably make formal demand for the rental arrears by sending three notices under Registered AD post in intervals of at least 15 days. If there is no response branches should send a final notice (*As per SOP for break open of lockers*) by registered AD to the renter/s at the last registered address referring to the notices already given and fixing the date and time for breaking open the locker and inviting him/her/them to remain present at the appointed time and place.

If the letter is returned undelivered or the locker-hirer is not traceable, public notice shall be issued in vernacular daily 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. Branch 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.

It shall be ensured that the inventory prepared after breaking open of the locker and during settlement of claims, is in the appropriate forms or as near thereto as circumstances require. Further, branch 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.

20. Discharge of locker contents if it 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 branch 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.

The appropriate terms has been inserted in the Model Locker Agreement to be executed with the customer specifying the position in case the locker is not in operation for long period. Bank will be discharged 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 of India and the terms and conditions prescribed in the agreement.
