

THE GREATER BOMBAY CO-OP BANK LTD.
(SCHEDULED BANK)

LOCKER POLICY 2023-24

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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 and execution of locker agreement. The relationship between the banker and the customer of a locker is that of lessor and lessee.

In view of the RBI circular vide circular RBI/2021-2022/86/DOR.LEG.REC.40/09.07.005/2021-22 dated 18.08.2021., about implementation of revised locker guidelines included in the policy. The revised RBI instructions shall come into force with effect from January 1, 2022 (except where otherwise specified) and be applicable to both new and existing safe deposit lockers with the banks.

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.

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 as well as firms, Limited Companies, Societies, Associations, Clubs etc.

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3. Procedure of Allotment of locker:

Safe deposit lockers account opening form (Specimen signature card, Memorandum of letting of safe on Rs.100 /- adhesive stamp, declaration letter from locker-holder, undertaking for key- deposit. Obtain recent passport size photograph of locker hirer(s) and individual(s) authorized by locker hirer(s) to operate the locker and preserve it with other records relating to locker.

- i) Receive account-opening form from customers duly filled up.
- ii) To allot locker & enter in locker allotment register (manual /system).
- iii) To collect rent, key deposit & enter into locker rent register, key deposit security register & issue rent receipt.

Allotment of lockers shall be based on the duly filled in locker application of the prospective hirers on the printed format provided by the branch. 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. Further lockers may be allotted to

- i) Bank's lockers will be hired to Individual singly and / or two or more individuals jointly as well as Firms, Limited Companies, Societies, Associations, Clubs, Trusts, etc.
- ii) The applicant shall have a Savings/Current a/c with the Branch concerned.
- iii) Due diligence of KYC norms, will be duly applied before allotment of locker.

4. Wait List of Lockers:

In order to facilitate customers making informed choices, branches 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 branches shall acknowledge the receipt of all applications for allotment of locker and provide a wait list number to the customers, in case, if the lockers are not available for allotment.

5.Fixed / Term Deposit as Security for Lockers:

To ensure prompt payment of locker rent, at the time of allotment, a minimum fixed /term deposit is obtained which would cover 3 years' rent and the charges for breaking open the locker in case of an eventuality. The Fixed deposit of the locker hirer/s, will be appropriated for recovery overdue rent and expenses incurred by the Bank viz,,

- Breaking open the locker,
- Replacement of lock / lever key, and

Recovery of Bank's dues on account of

- Overdue locker rent,
- Interest on overdue locker rent/ penalty and
- Reasonable safe custody charges for keeping the contents in Safe Custody of the Bank.

The Security Deposit/Fixed Deposit will be kept under Bank's lien in respect of rental and other dues on locker services like breaking open/replacement of locker in case of loss of key etc. The Security Deposit is fixed based on the size of the Lockers.

An acknowledgement will be issued by the Bank for the deposit to be kept as Security Deposit.

6. Locker Agreement & Providing a copy of the agreement to Locker hirer:

To renew the existing locker customer/s with revise agreement needs to be obtained and completed by January 1, 2023. However, RBI recently issued circular vide RBI/2022-23/168, Co.CEPD.PRS. No.S1233/13-01-018/2022-2023 dated January 23rd, 2023, wherein in timelines for obtaining the revise locker agreement deadline for banks is being extended in a phased manner to December 31st, 2023.

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- at least 50% of their existing locker customers have executed the revised agreements by June 30th, 2023
- at least 75% of their existing locker customers have executed the revised agreements by September 30th, 2023

Bank has been advised to submit Monthly such consolidation status in on or before 7th of subsequent month to RBI - Through RBI Daksh Portal.

Bank/ Branches are advised to facilitate execution of the fresh/supplementary stamped agreements with their customers by taking measures such as arranging stamp papers, franking, e-stamping, etc. and provide a copy of the executed agreement to the customer.

Bank /Branches where the operations in lockers have been frozen for non-execution of agreement by January 1, 2023, the same should be unfrozen with immediate effect.

A copy of the locker agreement in duplicate 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 and copy may be given to locker hirer.

7. Rental Tariff and Recovery of Rent:

Locker rent and service charges will be decided by the Bank, depending on their size of locker and revision from time to time. The rent tariff and related service charges will be publicized among the customers/ Bank website, suitably.

Recovery of rent from hirer(s): Safe Deposit Locker rent will be payable in advance and in the event of locker rent remaining unpaid, when due, the Bank will have the right to refuse access to the locker and without prejudice to Bank's right to break open the locker.

Locker rent will be recovered on financial year, i.e, beginning of the financial year, viz; during April month. The lease period of one year will start from the date of hiring the locker till 31st March of subsequent year and thereafter during April itself, i.e, beginning of Financial Year.

In case locker is hired in the name of the staff member, either singly or jointly with his / her spouse, a concession will be allowed at the discretion of the Bank. However, a staff member would be eligible to hire only one locker at concessional rent at the bank any of the branch.

8. Operations of Safe Deposit Vaults/Lockers:

While operating the locker, the customer has to make entry in visit register & sign with the date & time.

Branches will exercise due care and necessary precaution for the protection of the lockers provided to the customer. 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 branch. Branch shall send an email and SMS alert to the registered email ID and 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 the redressal mechanism available in case of unauthorized locker access. The locker hirer and/or the persons duly authorized by him/ her only 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 branches 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) 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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Branches 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 shall be updated in case of any change in the allotment with complete audit trails.

The Locker can be surrendered at any time without any damage. At the time of surrender of said locker that quarter rent needs to be recovered (for 3 months i.e, Jan, Feb and March. Example , if locker surrendered on or before 31st of January month (last day of Month) full quarter rent needs to be recovered, i.e, up to 31st March . In case of locker surrendered on or after 1st February, 3 months' rent needs to be deducted ie, February, March & April should be recovered and balance needs to be refunded to the customer.

The area housing the lockers should remain adequately guarded at all times. The branches shall install Access Control System, if required as per their risk assessment, which would restrict any unauthorized entry and create digital record of access to locker room with time log. As per their internal security policy, branch 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/branch shall preserve the CCTV recording till the police investigation is completed and the dispute is settled.

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

9. Customer due diligence:

Branches will carry out customer due diligence for both new and existing customers at least to the levels prescribed for customers classified as medium risk. If the customer is classified in a higher risk category, customer due diligence as per KYC/AML norms applicable to such higher risk category should be carried out. Customers having no other banking relationship may be given these facilities after completing CDD Procedure as per extant KYC/AML directions and subject to on-going compliance. CDD shall be completed for all the customers irrespective of rights and capacities. Obtain recent passport size photograph of locker hirer(s) and individual(s) authorized by locker hirer(s) to operate the locker and preserve it with other records relating to locker. The existing customers of a bank, who are fully KYC compliant with extant CDD criteria under KYC/AML directions may be given facilities of locker/safe custody article subject to ongoing compliance. The due diligence shall be carried out for all the customers in whatever rights and capacities they may be hiring the locker.

Measures relating to lockers which have remained un-operated Where the lockers 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 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 should issue notice to locker hirer for surrender of said locker. This clause is included in the locker agreement.

In case locker remained inoperative for 7 years (any risk category) the branches must initiate break open process, even if the locker rent paid / recovered regularly. In case of locker rent overdue more than 3 years break open of locker needs to be initiated by the branches.

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10. 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.

11. Breaking Open of Locker:

Break-open of locker may happen either at the request of the hirer/s or by the branch for default in payment of prescribed charges for or for any other reason. Break Open charges shall be recoverable from the hirer/s. Branch 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 or his nominee (in case deceased), as the case may be. When the break-open of locker is done at the instance of the branch, the customer shall be provided notices in advance 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 branch officers of the branch.

In cases of break-open of lockers carried out by the branch for non-payment of locker rent, the Fixed deposits by the hirer/s, will be appropriated for recovery of expenses incurred by the branch in

- (i) Breaking open the locker,
- (ii) Replacement of lock, and
- (iii) Recovery of Bank's dues on account of overdue locker rent. Freezing / Unfreezing of Lockers. Branch will give due cognizance to orders received from a competent authority having statutory powers for freezing / unfreezing of locker.

12. Death of the hirer: Notice of knowledge of the death of a hirer or a surviving hirer in the case of 'E or S' hirers will be recorded in the Locker Register (L. 7) 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 authorised 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, 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, was competent to receive the articles on behalf of the minor.

Time limit for settlement of claims: Banks 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 depositor and suitable identification of the claimant(s) with reference to nomination, to the bank's satisfaction.

13. Nomination Facility

The branches shall offer nomination facility in case of safe deposit lockers and safe custody of articles, 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 accounts shall be followed by the branches. A passport size photo

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of the nominee attested by the customer may be obtained from the customers, at his/her option and preserved in the records.

- For the various Forms (Forms SC1, SC2 and SC3 for Articles left in Safe Custody and Forms SL1, SL1A, SL2, SL3 and SL3A for Safety Lockers) prescribed under Banking Companies (Nomination) Rules, 1985/Co-operative Banks (Nomination) Rules, 1985, only Thumb-impression(s) shall be required to be attested by two witnesses. Signatures of the account holders need not be attested by witnesses.
- Branches shall have appropriate systems and procedures in place to register the nomination, cancellation and / or variation of the nomination, in their books, made by the locker hirers.
- Branches shall devise a proper system of acknowledging 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.

14. 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 Indian Banks' Association /appropriate authorities. Access to the safe deposit lockers (with survivor /nominee clause) needs to be included in the locker agreement.

i) If the sole locker hirer nominates a person, banks will give to such nominee access of the locker and liberty to remove the contents of the locker in the event of the death of the sole locker hirer.

ii. In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s) nominates person, in the event of death of any of the locker hirers, the bank should give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s).

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. 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; and

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

There is an imperative need 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, drawn up, then and there, for giving access to legal heir(s) /

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legal representative of the deceased locker hirer. The Bank shall also be guided by 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.

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

15. 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, surplus of rent over the 12 months' tenure, if any, will be refunded as per earlier para no.8 . 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.

16.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. 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 and subject to production of necessary documents. Where no nomination is available, settlement shall be made to the legal heirs as per Bank's claim.

17. Liability of banks arising from natural calamities like earthquake, flood, thunderstorm, lightning etc. or due to sole negligence of the customer

The 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. Banks shall, however, exercise appropriate care to their locker systems to protect their premises from such catastrophes.

Liability of banks arising from events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of the bank

It is the responsibility of banks 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, dacoity, building collapse do not occur in the bank's premises due to its own shortcomings, negligence and by any act of omission/commission. As banks 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 banks' liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.**

18 Risk Management, Transparency and Customer Guidance

Branch Insurance Policy

Banks, with the approval of their Board, shall have a branch insurance policy to minimize the loss due to incidents like robbery, fire, natural calamities, 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 there from 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.

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Customer guidance and publicity

- The branch shall display the model locker agreement with all the Terms & Conditions and the Standard Operating Procedures (SOPs) on various aspects on their websites and/or at branches (if official website is not available) where locker facility is being provided by them for public viewing. The banks 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 on their websites.
- Bank shall place on their websites, the instructions together with the policies / procedures put in place for giving access of the locker / survivor(s) / legal heir(s) of the deceased locker hirer. Further, a printed copy of the same shall also be given to the nominee(s) / survivor(s) / legal heir(s).

19. Other aspects: The Branches will exercise due care and necessary precautions for the protection of lockers and the locker hirer while operating the locker. The security procedure will be well documented. 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 and approval. 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. 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. The Bank reserves the right to alter or add to these rules and such alteration and additions shall be binding on the account holder. Such alteration will be made known to the account holder through website.