
Policy on Locker Issuance & Operations
(May 2023)

PART I: Customer Due Diligence (CDD) for Lockers

1. Customer Due Diligence

1.1 Existing customers of DCB Bank who have made an application for locker facility and who are fully compliant with the CDD criteria under the RBI Master Direction – Know Your Customer (KYC) Directions, 2016 (as updated from time to time) may be given the facilities of safe deposit lockers subject to on-going compliance.

1.2 Customers who are not having any other Banking relationship with DCB Bank may also be given the facilities of safe deposit locker after complying with the customer due diligence (CDD) criteria under the Master Direction – Know Your Customer (KYC) Directions, 2016 (as updated from time to time) and subject to on-going compliance. The due diligence will be carried out for all the customers in whatever rights and capacities they may be hiring the locker.

1.3 Recent passport size photographs will be provided by locker-hirer(s) and individual(s) authorized by locker hirer(s) to operate the locker and will be maintained in the respective branch.

PART II: Locker Allotment

2. The Bank will acknowledge the receipt of all applications for allotment of locker and provide a wait list number to the customers, if the specific locker sizes as requested by the customer/s are not available for allotment.

2.1 Locker Agreement

2.1.1 At the time of allotment of the locker to a customer, the Bank will enter into a duly stamped agreement with the customer to whom the locker facility is provided. A copy of the locker agreement in duplicate signed by both the parties will be furnished to the locker-hirer to know his/her rights and responsibilities. Original agreement will be retained with the respective branch where the locker is situated.

2.1.2 The Bank will periodically review the Locker Agreement and make changes when necessary, or when required as a result of a regulatory directive. Where customers do not execute the new agreement, the locker will be sealed, post giving due notice to them. Customers who refuse to execute the new Agreement will be allowed a onetime access to the Locker to empty its contents and surrender the locker on the same day. This access will be allowed only after the locker holder/s has cleared all outstanding dues.

2.1.3 The locker agreement, amongst other clauses, will include the following:

- The locker hirer/s will not keep anything illegal or any hazardous substance in Safe Deposit Locker. If the Bank suspects such deposits in the locker, then the Bank will have right to take appropriate action against the customer as it deems fit and proper in the circumstances.
- The Bank will have the discretion to break open any locker if the rent has not been paid by customer for three years in a row. The Bank will notify the locker-hirer prior to the break open and give reasonable opportunity to withdraw the articles deposited by locker-hirer post payment of the dues.
- 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 will be at liberty to transfer the contents of

the locker to their nominees/legal heir or dispose of the articles in a transparent manner, post following due procedure as required.

- The Bank will be discharged of any liability in case the locker is not in operation and the locker is opened by the Bank and contents released as per the law and as per the instructions issued by the Reserve Bank and the terms and conditions prescribed in the agreement.
- As the Bank does not keep a record of the contents of the locker or of any articles removed therefrom or placed therein by customer, the Bank would not be under any liability to insure the contents of the locker against any risk whatsoever.

2.2 Locker Rent

2.2.1 To ensure prompt payment of locker rent, branches are allowed to obtain a Term Deposit, at the time of allotment, which would cover three years' rent and the charges for breaking open the locker in case of such eventuality. Branches will not insist on Term Deposits from the existing locker holders. Where a Security Deposit/ advance rental has been obtained from a customer, the same may also be appropriated towards charges for breaking open the locker, where required.

2.2.2 As rent is collected annually in advance, proportionate amount of rent will be refunded to customers in the event of a surrender of the locker in the middle of the year.

2.2.3 If there is any event such as merger / closure / shifting of branch warranting physical relocation of the lockers, the Bank will give public notice in two newspapers (including one local daily in vernacular language) in this regard and the customers will 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, the Bank will make efforts to intimate the customers suitably at the earliest.

PART III: Infrastructure and Security Standards

3.1 Security of the Strong Room/Vault

3.1.1 The Bank will take necessary steps to ensure that the area in which the locker facility is housed is properly secured to prevent criminal break-ins. Branches will have a single defined point of entry and exit to the locker room/vault. As per the appropriate policy on security/ safety precautions, branches will conduct necessary engineering / safety verification regularly to identify the risks and carry out necessary rectification.

3.1.2. As per the Bank's internal security policy, branches 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.

3.1.3 The internal auditors, as part of Administration and Branch audit, will verify the security measures and report the compliance to ensure that the procedures are strictly adhered to.

3.2 Locker Standards

3.2.1 Where mechanical lockers are to be installed by the Bank, these will conform to basic standards / benchmarks for safety and security as prescribed by Bureau of Indian Standards (BIS) or any other enhanced industry standards applicable in this regard.

3.2.2 The Bank will ensure that identification Code of the Bank / Branch is embossed on all the locker keys with a view to facilitating identification of lockers / locker ownership by law enforcement agencies in case of need. The Bank will 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.

PART IV: Locker Operations

4.1 Operations by Customer

4.1.1 The locker hirer and/or the persons duly authorized by him/her only will be permitted to operate the locker after proper verification of their identity and recording of the authorization by the officials concerned of the Bank. The Bank will have in place detailed guidelines covered vide process document.

4.1.2 The Bank will send an Email and SMS alert to the registered email id and mobile number of the customer before the end of day as positive confirmation intimating the date and time of the locker operation. Redressal mechanism is available in case of unauthorized locker access.

4.2 Internal Controls by Bank

4.2.1 The Bank will have in place a system and process for inter change of locks whenever the locker is surrendered by the hirer.

PART V: Nomination Facility and Settlement of Claims

5.1 Nomination Facility

5.1.1 The Bank will offer nomination facility 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. In case the nominee is a minor, the same procedure as prescribed for the Bank accounts will be followed by the Bank. 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.

5.1.2 Thumb-impression(s) on Nomination form will be required to be attested by two witnesses. Signatures of the account holders need not be attested by witnesses. The Bank will provide acknowledgment of request received towards Nominee addition, cancellation and / or variation, irrespective of whether the same is demanded by customers or not

5.1.3 The Bank will register the nomination, cancellation and / or variation of the nomination, in Bank's books, made by the locker hirers.

5.2 Settlement of Claims in case of death of a Customer

5.2.1 The Bank will settle dues in case of deceased locker hirer/s in conformity to the procedure outlined by RBI in this regard.

5.2.2 The claim formats and guidelines for processing of claims will be covered in the process document.

5.2.3 The Bank will settle the claims in respect of deceased locker hirers and 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.

5.2.4 The Bank will report to the Customer Service Committee of the Board, at quarterly frequency, on an ongoing basis, the details of the number of claims received pertaining to deceased locker-hirers and those pending beyond the stipulated period, with reasons therefor. Customer Service Committee of the Board of the Bank will review the settlement of claims and make suggestions to ensure that the claims are settled as early as possible unless there is any litigation pending before the Courts or any difficulty is being faced in identifying the true claimant with reference to nomination.

5.3 Access to the articles in the safe deposit lockers

5.3.1 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, the Bank will give access of the locker to such nominee with liberty to remove the contents of the locker, after an inventory is 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 will give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s) after an inventory is 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 Bank will follow the mandate in the event of death of one or more of the joint locker-hirers.

5.3.2 The Bank will ensure the following before giving access to the contents to nominee / survivor:

- 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;
- Ensure there is no order or direction received by the Bank from Courts/Forums restraining it from giving access to the locker of the deceased; and
- 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 will not affect the right or claim which any person may have against the survivor(s) / nominee(s) to whom the access is given.

PART VI: Closure and Discharge of locker items

6. 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 can be carried out under any one of the following circumstances:

- If the hirer loses the key and requests for breaking open the locker at her /his cost; or
- 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
- 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.

Detailed guidelines covering discharge of locker contents will be covered in the process document.

PART VII: Compensation Policy / Liability for the Bank

7. Liability of the Bank

The Board authorizes Management Committee (MANCO) to set an amount / limit for compensation towards any loss or damage to the contents of the lockers due to Bank's proven negligence, like unauthorized access to locker, deficiency in safeguard against theft & robbery, non-functioning of locker system, etc.

Further, the Bank will adhere to the Master Directions on Frauds for reporting requirements about the instances of robberies, dacoities, thefts and burglaries.

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

The Bank will 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 etc., or any act that is attributable to the sole fault or negligence of the customer.

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

The Bank will take all steps for the safety and security of the premises in which the safe deposit vaults are housed. In instances where loss of contents of locker are due to incidents like fire, theft/ burglary/ robbery, dacoity, building collapse mentioned above or attributable to fraud committed by the Bank's employee(s), the Banks' liability will be limited to an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

PART VIII: Risk Management, Transparency and Customer Guidance

8.1 Branch Insurance Policy

The Bank insures its branches, of which lockers are a part, to minimize the loss due to incidents like robbery, fire, natural calamities, etc. affecting contents of lockers.

8.2 Insurance of locker contents by the customer

The Bank will not offer, directly or indirectly, any insurance product to its locker hirers for insurance of locker contents.

8.3 Customer guidance and publicity

8.3.1 The Bank will display the locker agreement with all the Terms & Conditions and the process document on DCB Bank website and/or at branches where locker facility is being provided.

8.3.2 Bank will display information on all kinds of charges for safe deposit lockers on the website.

9. Review of Policy and Process note

9.1 The Policy will be reviewed and approved by the Risk Management Committee of the Board – once in every two years or at an earlier interval if any change is warranted.

9.2. The Process Note will be reviewed and approved periodically by Management Committee for Approval of Process (MCAP) towards any changes / modification as and when required.