

Standard operating procedures on Safe deposit Lockers

The Standard Operating Procedures (SOPs) reflects the process, Unity Small Finance Bank Ltd(USFB)will be undertaking for offering locker services to its customer.

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Introduction:-

Safe Deposit Lockers is one of the facilities offered to our customers, as an ancillary service, for safekeeping of valuables and documents.

Locker Allotment:-

- i. Lockers are available in three types ranging from large, medium and small. The quantum of rent is dependent on the size of the locker. Customer has a choice to choose the size of the Locker rented by him/her.
- ii. Lockers can be issued to individuals, partnership firms, society, companies, HUFs, Two or more individuals jointly, Registered Associations or clubs and Trust or Charitable institutions.
- iii. If the lockers are not available for allotment then branch shall acknowledge the receipt of the application for allotment of locker & provide a wait list number to the customer. There after lockers can be allotted to the said customer as per ordinance in the locker waiting list (i.e. First Come First Serve).

Customer Due Diligence:-

- i. Once customer confirms his/her willingness for hiring the locker, before locker allotment to customer, bank will check whether KYC is completed. If KYC is not completed, Bank will seek completion of KYC. After KYC compliance the locker facility will be provided.
- ii. Customer to whom the locker facility is to be provided shall enter into an agreement with Bank, on a prescribed form for locker allotment duly stamped. This agreement needs to be signed in duplicate by both the parties including all locker holders and the acknowledgment copy shall be furnished to the locker-hirer to know his/her rights and responsibilities. Original agreement shall be retained with the bank's branch where the locker is situated. The said agreement shall contain details like type of locker, mode of operation, locker number & key number allotted to the customer.
- iii. The due diligence shall be carried out for all the customers in whatever rights and capacities they may be hiring the locker i.e. existing customers or the customers who are not having any other banking relationship with the Bank.

Nomination facility for lockers:-

The bank offers 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.

Nomination Form	Usage
Form SL 1	Making nomination by Sole Locker Hirer
Form SL 1A	Making nomination by Joint Locker Hirers
Form SL 2	Cancellation of nomination by Sole Hirer
Form SL 2A	Cancellation of nomination by Joint Hirers
Form SL 3	Variation of nomination by Sole Hirer
Form SL 3A	Variation of nomination by Joint Hirers

- i. There can be as many nominees as there are locker hirers. That is the number of nominees cannot exceed the number of hirers.
- ii. If the nominee is minor, the procedure as prescribed for the CASA accounts will be followed
- iii. Form should be signed by all the hirers for nomination addition, modification or cancellation.
- iv. Nomination not permissible In favour of a corporate body/firm/trust/association/society or any identity other than an individual
- v. Acknowledgement shall be given to all the customers irrespective of whether the same is demanded by the customers or not.

Locker Operation:-

- i. Locker can be operated only during Banking hours.
- ii. The locker should be opened with the key provided by Bank and can be operated as per the mode of operation selected at the time of locker allotment and the power of attorney (POA) holder (if provided and updated in the Bank's records).
- iii. Locker hirer/POA holder will be required to make an entry in the access slip at the time of locker operation.
- iv. Only one locker will be allowed to be operated at a time.
- v. On completion of the locker operation, the locker hirer should check the area to ensure that no articles are left behind and the locker is properly closed.
- vi. Post locker operation, Customer will receive an e-mail/SMS from Bank before the end of the day as a positive confirmation, intimating the date and time of the locker operation.
- vii. The locker needs to be operated at regular intervals failing which the locker will be deemed as 'inoperative', even if the rent is being paid regularly. Once the locker is deemed 'inoperative' the locker hirer should provide a letter, as per the mode of operation stating the reason for non-operation of locker and then operate the locker to activate the same

Collection of Locker rent:-

- i. Locker rent will be collected in advance for the entire year.
- ii. To facilitate timely collection of the locker rent, the locker hirer can have an operative account with Unity Small Finance Bank Ltd that is not due for Re-KYC/not in freeze/dormant/inactive status.
- iii. The amount of Security deposit and the rent on lockers for various sizes will be determined by the Bank by issuing Locker Policy from time to time.
- iv. Pure FD customers can also hire locker at Unit Small Finance Bank Ltd. FD customer would have to keep an additional FD which would be lien marked in favour of the bank, as per Bank's policy defined from time to time.
- v. This FD created would be over and above the regular FD relationship that the customer would have with the bank.
- vi. One year FD or higher will be created for this purpose at the existing rate of interest
- vii. No overdraft facility would be offered against this deposit.
- viii. The deposit would be auto-renewed till the tenure of the locker agreement.
- ix. No premature withdrawal allowed if the locker usage is in vogue.
- x. 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.

Addition of Hirers:-

- i. A Request Letter signed by all the locker hirers is required.
- ii. New locker agreement, KYC of the new hirer with photograph will be required. The new application form and agreement should mention the revised mode of locker operation. Stamp duty to be paid as per State Stamp Act.
- iii. All Locker hirers should be present at the time of addition of hirer/s.

Deletion of Hirers:

- i. A Request Letter signed by all the locker hirers is required.
- ii. Additionally, the new mode of operation to be mentioned in the Request Letter.
- iii. All Locker hirer should be present at the time of deletion of hirers.
- iv. The new application form and agreement should be executed. Stamp duty to be paid as per State Stamp Act.

Breaking Open of Locker:-

Following are scenarios under which the Bank will conduct a break open of the locker.

- a. Key of the locker being lost by the locker hirer**
- b. Attachment and Recovery of contents by any Law Enforcement Agency**
- c. Non-payment of locker rent**

d. Locker remains inoperative for a long period of time

a. If Key of the locker being lost by the locker hirer

- i. Locker hirer should immediately notify the Bank on the loss of the locker key and place a request for a new key.
- ii. Request Letter and indemnity duly stamped, as per the Bank's format, will be required to be signed by all the locker hirers.
- iii. If the key is stolen, customer should lodge a complaint in the local Police Station and copy of the FIR to be provided to bank.
- iv. Charges for break open of locker will be recovered from the locker hirer. Lock break open will be done by an authorized technician in the presence of all locker hirer and the bank official. Customer shall handover the lost key to the Bank branch, if found in future.

b. Attachment and recovery of contents by any Law Enforcement Agency:-

Bank shall inform the locker hirer through a letter or on the registered email-ID that Government authorities have approached them for attachment and recovery or seizure of the locker or its articles

c. Non-payment of locker rent:-

Bank shall initiate the process of locker break open, if the rent has not been paid by the customers for three years in a row.

d. If the locker remains inoperative for a long period of time:-

- i. If the locker remains inoperative for a period of seven years and the locker hirer cannot be located, even if the rent is being paid regularly. Unity Small Finance Bank Ltd 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.
- ii. Prior intimation will be sent by the Bank to the locker hirer(s), post which, in case of non-response from the locker hirer(s) the locker will be accessed by the Bank in case of non-payment of the locker rent and inoperative locker. If the letter is returned undelivered, a public notice shall be issued in two local leading newspapers, one of which shall be English and another in a vernacular language, giving reasonable time to the locker hirer or to any other person/s who has interest in the contents of the locker, to respond. Content of the locker (if any) will be kept in a sealed envelope, along with the detailed inventory.

Death Claim Settlement of Locker:-

Settlement of Deceased Locker accounts:-

Banks shall settle the claims in respect of deceased locker hirers and shall release contents of the locker to survivor(s) / nominee(s)/ legal heir, 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.

The contents of the locker shall be handed over to the claimant/ joint holder/ nominee as applicable below:

Sole Locker hirer with or without nomination

1. Safe Deposit Locker with Nomination:-

- The nominee will be allowed to access the locker and remove the contents on verification of relevant identification documents and verification of proof of death of locker hirer.
- Before permitting the nominee to remove contents of the Safe Deposit Locker, the bank would prepare an inventory of the articles in the presence of nominee(s) and two independent witnesses

2. Safe Deposit Locker Without Nomination:-

- Legal heir(s) of the deceased locker hirer will be allowed to access the locker and remove the contents on verification of relevant identification documents and verification of proof of death of locker hirer.
- Before permitting the legal heir(s) to remove contents of the Safe Deposit Locker, the bank would prepare an inventory of the articles in the presence of legal heir(s) and two independent witnesses

Joint account with mandate "Either or Survivor"/"Former or survivor"/ "Anyone or Survivors"/ "Latter or Survivor" – with or without nomination

1. Safe Deposit Locker With nomination:-

- At present B R Act (Section 45 ZE) does not provide nomination facility in respect of lockers with "Either or Survivor" / "Former or Survivor" /"Anyone or Survivors"/ "Latter or Survivor" mandate.

2. Safe Deposit Locker Without nomination:-

- In the event of death of one (or more but not all) of the joint hirers, the surviving hirer(s) will be allowed to access the locker and remove the contents on verification of proof of death of the joint hirer(s).
- In the event of death of all the locker hirers, the legal heirs of the deceased locker hirer(s) will be allowed to access the locker and remove the contents on producing relevant identification documents and verification of proof of death of locker hirer(s).

Locker holding with or without nomination and Without survivorship mandate (operated jointly)

1. Safe Deposit Locker With nomination:-

- In the event of the death of one (or more but not all) of the joint locker hirers the nominee(s) will be jointly allowed to access the locker and remove the contents on identification and verification of proof of death of the locker hirer(s) along with the surviving hirer(s).
- In the event of death of both / all joint locker hirers the nominee(s) will be allowed to access the locker and remove the contents on establishing his/her/their identity and verification of proof of the death of the hirers.

2. Safe Deposit Locker Without nomination:-

- In the event of death of one (or more but not all) of the locker hirers, the surviving hirer(s) and legal heirs of the deceased hirer (or a person mandated by them) would be allowed to access the locker and remove the contents on verification of authority of legal heirs and proof of death of the hirer.
- In the event of death of both / all the joint locker hirers, the Legal heir(s) of the deceased locker hirer will be allowed to access the locker and remove the contents on establishing his/her/their identity and verification of proof of the death of the hirers.

For Nominee is Minor:

- For any of the above cases, if the nominee is a minor:
- In addition to following the processes described above (as applicable for the case under reference), where any beneficiary / heir is a minor, an indemnity should be obtained on behalf of such minor executed by his / her guardian. If the guardian is not a natural guardian of the beneficiary / heir but is appointed by the court, then the relevant order must be studied to ensure the powers of such a guardian, and whether he / she is authorized to sign the indemnity on behalf of such a minor. On satisfactory confirmation of the same, the signature of the guardian should be obtained on behalf of the minor.
- Contents of the locker would be handed over to the guardian as mentioned above, who as per law is competent to receive the articles on behalf of such minor.

Procedure for settlement of Claim:-

- i) The legal representatives/Nominee should submit the claim application for the access to the contents of the locker along with necessary documents / declaration.
- ii) They should produce the locker key and pay the arrears of rent at the time of submitting the claim application.
- iii) In case the key is not available, they should request for break open the locker and undertake to pay break open charges.
- iv) All the papers received from nominee/ legal heirs of the locker holder complete in all respect, should be submitted to Cluster/Corporate Office with the Branch recommendation.
- v) On receipt of claim sanction from the Cluster/Corporate Office, nominee/ the legal heirs should be called upon for execution of necessary documents and take delivery of contents of the locker.
- vi) The contents of the locker should be delivered to the legal representatives / nominee against their acknowledgment and after obtaining the necessary papers as mentioned in the claim sanction letter.
- vii) If the nominee is a minor, the Branch should ensure that the contents of the locker are delivered to a person, who is legally competent to receive the articles on behalf of the minor. However, before delivery of the articles, an inventory thereof should be prepared and duly witnessed.
- viii) The Branches need not entertain claim of the legal heirs of the deceased locker holder/s, where nominee is appointed. In case of nominee is also dead, the legal heirs of the locker holder can claim the access to the locker.
- ix) In case the legal representatives / nominee(s) desire to continue with the locker, the Branch should enter into fresh agreement with them, after adhering to KYC norms
- x) The Branches need not open sealed / closed packets found in the locker while releasing them to the nominee(s) and surviving locker holders

Surrender of Locker:-

- i. The hirer(s) can surrender the locker at any time, during the contract period.
- ii. All locker hirers should be present at the time of locker surrender.
- iii. Locker should be surrendered in vacant condition and by handing over the key to the bank official. In case the key is lost, the procedure of break open of locker to be followed.
- iv. Overdue Locker rent to be recovered prior to locker surrender.
- v. If locker rent is collected in advance, the proportionate amount of advance rent collected shall be refunded.