

Preamble

Having firmly and solemnly resolved to establish as SKN savings and loans a subsidiary of SKN-CYRIL LIMITED RC 1781303, to

Safe keep our clients funds, to promote the individual and social-economic wellbeing . we SKN savings and loans, make and give to ourselves the following constitution, the provisions of which shall be binding on all members.

Article 1: NAME, CITATION AND MOTTO

1. The name of the company shall be SKN savings and loans, a subsidiary of SKN-CYRIL LIMITED RC 1781303.
2. The constitution shall be cited as, the constitution of SKN savings and loans a subsidiary of SKN-CYRIL LIMITED.
3. The motto of the organization is inspiring lives and making a difference.

Article 2 REGISTERED ADRESS: 10, Akpehe road makurdi, benue state Nigeria

Article 3: AIMS AND OBJECTIVES: of the organization shall include the following

- i. To encourage savings among members.
- ii. To engage in thrift and loans activities for the benefit of our customers.
- iii. To promote better business practices and viable economic ventures.
- iv. To grant loans to interested customers and the general public.
- v. To buy and sell shares to both customers and the general public.
- vi. To enhance the living condition and general well being of members.

Article 4: CUSTOMERSHIP.

1. Customership to the company shall be opened to___
 - a. Both male and female.
 - b. All members of the general public who are 18 years and above with good moral standing in the society.
 - c. People who are duly registered in accordance with the provisions of the constitution.
2. TERMINATION OF CUSTOMERSHIP: shall be terminated in any of the following ways ____

- a. When a member exhibits gross conduct.
 - b. When a member exhibits signs of insanity or becomes otherwise incapacitated as seen by the CEO/MD.
 - c. When a member cheats the society with impunity.
3. WITHDRAWAL OF CUSTOMERSHIP.
- a. A customer shall his or her customership only when the financial cycle is completed (which is 12 months)
 - b. When a customer dies he shall cease to be a customer, provided that, his or her customership shall be transferred to the kin on request.
 - c. Withdrawal within a financial cycle is not allowed provided that it becomes necessary, 15% shall be deducted from the customer's total deposit.
 - d. A customer who wishes to withdraw his or her membership shall do so through an application letter and payment of 500 naira only. The application shall be processed within a period of 6 months.
 - e. A beneficiary of the loans shall not be allowed to withdraw from it until the loan collected is fully paid.

Article 5 SOURCE OF FUNDS

The company shall raise funds through the following ways

1. Registration of customers: This shall be three hundred naira (300) only and done every year at the end of the savings.
2. Deposits from members: the company shall accept minimum of 300 naira above savings as deposit per name, customers are allowed to register more than one name.
3. Fines: a customer shall be fined when he or she does a following
 - a. Fails to save every Sunday, he or she will be fined 100 naira per each Sunday missed.
 - b. Fails to repay loan as required.
4. Purchase of loan application forms.
 - a. Any customer wishing to obtain loan shall first obtain loan shall first obtain an application form at the cost which shall vary

according to how the customer intends to borrow. From 10,000 to 50,000 naira 500 naira, 50,000 to 150,000 naira is 1,000 naira, 150,000 to 300,000 naira is 2,000 naira, 300,000 to 500,000 naira is 5,000 naira, 500,000 to 1,000,000 naira is 10,000 naira. Amount from 1,000,000 naira above shall attract 2% of the amount intended to borrow.

- b. Application form for all emergency loans shall be 500 naira only which shall be paid in 7days.
 - c. For short term loans which shall be paid within one month, the application fee be 1% of the amount intended.
5. Loans from individuals, corporate organizations, the company shall take investments of funds through SKN-INVEST from individuals, corporate organizations, government and non-governmental organizations.
 6. Monitoring team/fee: loan applicants are required to pay monitoring fee as structured in the constitution.
 7. Application fee for withdrawals: another source of fund for the company shall be derived from application fee.
 8. SKN-INVEST: this type of investment is opened not only to customers but also members of the general public. Each person shall be entitled with minimum of 150,000 naira worth of investment which shall attract 3% monthly return on partnership.
 9. 200 naira shall be deducted monthly as safe keeping.
 10. Miscellaneous: any income may arise from other accounts and legitimate sources.

Article 6: LOAN

1. Loan disbursement policy: a customer shall be qualified for loan if he or she is eligible in the following ways
 - a. Regular in deposit
 - b. Financially sound.
 - c. Has an eligible and suitable suretee.
 - d. Has a suitable guarantor.

- e. Has the required collateral.
- f. Availability of funds.
- g. Deposit 35%-40% of the amount intended to borrow.
- h. Has been a consistent registered customer for at least 90 days (3 months).
- i. Loans shall be granted on the basis of first come first serve.
- j. There shall be a monitoring team fee as follows;
 - i. Amount from 100,00 to 300,000 naira shall attract MTF of 1,500 naira.
 - ii. Amount from 300,000 to 500,000 naira shall attract a MTF of 2,500.
 - iii. Amount from above 500,000 to 1,000,000 naira shall attract a MTF of 5,000 naira.
 - iv. Above 1,000,000 naira shall attract a MTF of 10,000 naira.
- k. The suretee shall meet up 15% of the intended loan sum in his deposit.
- l. There shall be an agreement form duly signed by the borrower, suretee as well as the guarantor before such loan shall be granted.
- m. Any suretee intending to take a loan shall only do so when the person he or she suretees has already refunded 60% of his/her loan.
- n. A borrower with his suretee(s) and guarantor(s) shall attach a passport photograph each to the form, and there shall be owners name, signature and date at the back of the passport photographs.
- o. To avoid multiplicity of debts, no customer shall suretee more than two persons.
- p. A guarantor must not necessarily be a customer of the company but must be related to the borrower as father, mother, son uncle etc.

- q. Whoever is to benefit the loan for the second time, after completing the first one, either main or emergency, previous transactions shall be taken into consideration.
- r. Any alteration on the application form with respect to the amount requested shall invalidate the form automatically.
 - a. Main loan.
 - i. Only registered customers of the company shall apply for this loan.
 - ii. The main loan shall be given at 10% interest rate.
 - iii. The interest on this loan shall be deducted at source.
 - iv. The duration for repayment shall be within the remaining time from the day of collection to 1 month before the end of that particular calendar year.
 - v. Long term loans shall be paid in the following installments-
 - a. First installment 10%
 - b. Second installment 5%
 - c. Third installment 2.5%
 - d. Subsequently 2% till finish.
- s. The borrower who fails to pay the required percentage shall be fined 10% of the outstanding loan.
- t. Where the borrower fails to make a refund for three weeks consecutively, the loan shall be recalled and the borrower's deposit together with that of his suretee(s) shall be used to clear the loan with or without notice.
- u. Where the deposits of both the borrower and his suretee(s) fall short of the loan, the properties of the two shall be confiscated and sold to pay off the loan provided that where there is excess after the paying off, the balance shall be used to deposit in the suretees account.

- v. Two loan applicants cannot suretee each other.
- w. No borrower shall be entitled to a loan except he or she pays fully the first loan.

Other types of loans

- Product loan: this shall be given out in the form of agricultural inputs loan to include food items, household equipments, vehicles as well as landed property. The interest charged 10-30% depending on the item question.

- Emergency loan (fire loan) this shall be given to be refunded within one week and payment shall be at once and in bulk the interest rate is 10%. Where one is unable to refund all at the time, 10% fine is sub-charged on the aggregated amount. The maximum amount for the this loan shall be 15,000 naira.

- Short term loan: this loan shall be given to last for one month at 20% interest rate payable at once and in bulk, where one is unable to refund all at a time, 20% fine is sub-charged on the aggregated amount. The maximum amount for this loan shall be 100,000 naira.

Article 7: TYPES of contributions.

The following

1. The following books of accounts shall be maintained for the purpose of proper documentation, accountability and reference purposes.
 - a. Deposit ledger.
 - b. Loan ledger.
 - c. Expenses books
 - d. Interest ledger.
 - e. Asset ledger.
 - f. Loan agreement file.

- g. Audit files etc.

Article 10: TYPES OF MEETINGS

1. The company shall hold the following types of meetings.
 - a. Annual general meeting (AGM) which shall be held once a year, at the beginning of each financial year.
 - b. Executive meetings which shall be held monthly, in the last week of every month.
 - c. Emergency meetings. Which shall be held when need arise.
 - d. Transaction meeting day: which shall be every Sunday from 12pm-4pm.

Article 11: AMENDMENT:

This constitution may be amended in part or whole as and when the need to so arises. Such amendment shall be by a motion moved for that purpose at a physical general meeting and seconded by 2/3 majority of registered consistent members present at the meeting.

Article 12 CUSTODY OF FUNDS

1. After funds have been raised, it shall be deposited in the account of the CEO/MD or the official account of SKN-CYRIL LIMITED within 24hrs.
2. Any member in custody of the company's funds beyond 24hrs shall be liable to a fine of 10%-30% of the amount in his or her custody.

Article 12: SUPREMACY OF THE CONSTITUTION

1. For the operation of the company, this constitution is supreme and its provisions are binding on all registered customers saving/doing business with the company.
2. No person or group of persons shall direct the affairs of the company except in accordance with the provisions of this constitution.