

Oba Investment and Development Company Limited (OIDC)

Proposal for Establishment, Governance, Capitalization, and Initial Execution Framework

Document Classification	Promoter Board Paper
Prepared for	Founding Promoters and Stakeholder Conveners
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Purpose	For discussion, refinement, and adoption as the foundational strategy and governance paper for Oba Investment and Development Company Limited
Status	Draft for promoter review

This paper recommends the creation of a professionally governed, community-rooted investment holding company structured to raise an initial N1 billion through phased equity and project-level capital, deployed through ring-fenced SPVs, and lead with markets and commercial property as the first flagship asset class.

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1. Executive summary

This paper sets out the proposed establishment, governance architecture, ownership logic, management structure, fundraising strategy, and initial project deployment framework for Oba Investment and Development Company Limited, the proposed investment and development company to be established as the principal commercial platform for holding investments and advancing strategic development initiatives for Oba town.

The proposed company is intended to be more than a conventional community company. It is envisaged as a professionally governed, commercially disciplined, community-rooted investment holding and development platform capable of attracting capital, safeguarding stakeholder legitimacy, and deploying capital into projects that produce both financial returns and visible economic value for Oba town.

The company should therefore be structured from inception in a way that separates ownership from management, distinguishes community legitimacy from operational control, creates strong decision-making safeguards, and permits phased fundraising through a credible corporate vehicle rather than through informal community mobilization.

Recommendation	Proposed position
Corporate Platform	Incorporate Oba Investment and Development Company Limited as the parent holding company.
Execution Model	Pursue major projects through ring-fenced project SPVs.
Ownership Logic	Adopt a hybrid structure comprising a founding community block, strategic investor block, wider community and diaspora pool, and a management incentive pool.
Governance	Constitute a seven-member board with independent oversight and standing committees.
Fundraising	Raise the first N1 billion in phased tranches comprising anchor equity, private placement equity, and project-level co-investment or structured capital.
Initial Investment Focus	Lead with markets and commercial property, followed by land-led development, with road-linked projects pursued only where directly tied to economic value capture.
Dividend Policy	The Company will pay dividends only where profits, liquidity, reserves, and project needs support it, with early priority given to reinvestment, capital preservation, and proper governance approval.

2. Background

Oba town requires a formal economic platform capable of converting stakeholder influence, local legitimacy, land opportunity, and commercial initiative into enduring economic value. While town-based initiatives often begin with strong enthusiasm, many fail to scale because the underlying vehicle is not designed with sufficient legal clarity, governance discipline, capital structure, or project rigor.

In particular, community-rooted ventures commonly encounter problems such as unclear beneficial ownership and decision rights, concentration of informal control in a few individuals without accountability, inability to attract sophisticated investors due to weak governance, poor separation between community aspiration and commercial execution, absence of project ring-fencing and investment discipline, and management appointments driven by sentiment rather than competence.

It is therefore proposed that Oba Investment and Development Company Limited be constituted from inception as a disciplined commercial institution with a clear mandate, a defined governance architecture, and a structured capital raising pathway.

3. Purpose of this paper

The purpose of this paper is to obtain promoter approval for the establishment of the company as the principal investment and development vehicle for Oba town, the proposed ownership logic and capital structure, the recommended governance, and

board architecture, the phased fundraising strategy for the first N1 billion, the recommended management structure, the initial investment focus areas, and the next-phase documentation and implementation process.

4. Strategic intent

The strategic intent of Oba Investment and Development Company Limited is to create a durable institution that can originate, structure, hold, co-invest in, and manage commercially viable assets and development initiatives on behalf of and for the long-term prosperity of Oba town.

The company should be guided by the following principles.

- Professional governance before capital raising.
- Commercial viability based on economic viability before project approval.
- Disciplined capital allocation before expansion.
- Transparency before stakeholder scaling.
- Asset-backed or cash-flowing projects before speculative deployment.

5. Proposed corporate structure

5.1 Parent company

The principal entity should be Oba Investment and Development Company Limited, incorporated as a limited liability company and positioned as the parent holding platform. The parent company shall be responsible for ownership of equity interests in project subsidiaries, overall strategic direction, capital raising at the parent level, governance and board oversight, appointment and supervision of management, entry into strategic partnerships, and oversight of dividend and reinvestment policy.

5.2 Project subsidiaries

Major projects should be executed through dedicated project special-purpose vehicles, each established to hold one defined project or class of projects. This approach is recommended because it ring-fences project risk, improves investor clarity, permits asset-specific financing, prevents weak projects from contaminating the wider balance sheet, and supports project-level co-investment without diluting the parent company unnecessarily.

5.3 Rationale for structure

The parent-plus-SPV model is essential to the credibility of the company. It signals order, permits financing flexibility, and enables both strategic oversight and project discipline.

6. Proposed ownership framework

6.1 Ownership philosophy

The company must be visibly rooted in Oba town while remaining credible to serious investors and protected from informal capture. Ownership should therefore be structured to reflect community legitimacy without undermining professional decision-making.

6.2 Proposed cap table at inception

Ownership block	Indicative shareholding
Founding Block	40%
Anchor and Strategic Investors	35%
Community and Diaspora Investment Pool	15%
Management Incentive Pool	10%

This structure achieves three objectives. First, it protects community legitimacy. Second, it creates a meaningful capital and governance role for serious investors. Third, it aligns management over time without allowing management to dominate the ownership base at inception.

Early investors in the initial raise may be granted priority rights to participate in selected project SPVs, subject to Board approval and project-specific terms, as a reward for early support while preserving governance discipline at the parent-company level.

6.3 Community founding block

The community founding block should be structured through an agreed formula representing selected families, kindreds, and approved stakeholder blocs. To preserve order, consideration should be given to holding this block through a structured nominee, community holding company, or trust-like arrangement rather than fragmenting the cap table excessively.

6.4 Investor blocks

The investor blocks should be raised through structured subscription documentation and should include fit-and-proper standards, transfer restrictions, and compliance with pre-emption and governance rules.

7. Share class design

It is recommended that the company adopt differentiated share classes or equivalent contractual protections to distinguish between founding community rights, investor rights, and management incentives.

7.1 Founding shares

These shares should carry standard economic rights and enhanced protection on mission-critical matters such as change of company objects, disposal of strategic assets, and dilution above agreed thresholds.

7.2 Investor shares

These shares should carry economic rights, governance rights consistent with investment size, and standard investor protections including pre-emption rights and transfer restrictions.

7.3 Management incentive interests

These should vest over time, be subject to good-leaver and bad-leaver provisions, and be tied to service and performance. They should not be granted free of discipline.

8. Governance structure

8.1 Board composition

A seven-member board is recommended, comprising a Non-Executive Chairman, Founding Community Representative Director, Anchor Investor Director, Independent Non-Executive Director for Finance and Investment, Independent Non-Executive Director for Legal and Governance, Non-Executive Director for Projects and Infrastructure, and the Managing Director or CEO.

8.2 Board committees

Committee	Primary mandate
Investment and Projects Committee	Reviews project proposals, investment cases, feasibility, returns, and delivery risks.
Audit, Risk and Governance Committee	Oversees controls, reporting, conflicts, policy compliance, and governance integrity.
Nomination and Remuneration Committee	Oversees board and executive appointments, pay structures, incentives, and succession planning.

8.3 Reserved matters

The company should adopt a reserved matters framework. The following matters should require enhanced approvals: amendment to company objects, major borrowing above threshold, material new share issuances, disposal of strategic land or core assets, approval of major related-party transactions, appointment or removal of the CEO, mergers, acquisitions or restructuring, guarantees or contingent liabilities above threshold, changes to dividend policy, and major SPV commitments.

9. Management structure

A lean but high-caliber management structure is recommended at inception.

9.1 Core team

- Managing Director or CEO.
- Chief Financial Officer or Head of Finance.
- Head of Investments and Partnerships.
- Head of Projects and Development.
- Company Secretary or Legal and Governance Lead.

9.2 Management principles

The management team should be accountable for disciplined execution, investor reporting, compliance with governance standards, risk mitigation, and preparation of bankable projects. Management should not exercise unchecked discretion over capital deployment.

10. Initial fundraising strategy

10.1 Total target

The initial target is to secure N1 billion in capital for early-stage investments and project deployment.

10.2 Recommended fundraising sequence

Phase	Target amount	Purpose
Phase 1, Anchor Round	N250 million	Setup, feasibility, structuring, working capital, and early project rights.
Phase 2, Structured Private Placement	N350 million	Parent-company capitalization, pipeline readiness, and early deployment.
Phase 3, Project-Level Capital	N400 million	Project-specific equity, co-investment, or structured asset-linked funding.

10.3 Why phased capital raising is preferred

A single broad appeal for N1 billion would be premature and potentially damaging. Phasing the raise allows the company to establish governance, secure anchor credibility, package a flagship project, and raise subsequent capital from a position of strength.

11. Initial investment focus

11.1 First priority, markets and commercial property

This should be the flagship investment category because it is visible, understandable, potentially cash-flowing, and capable of building local confidence.

11.2 Second priority, land-led development

Strategic land acquisition should support future commercial development, joint ventures, logistics-linked assets, or corridor value appreciation.

11.3 Third priority, road-linked projects

Road projects should be considered only where they unlock value for assets owned, financed, or controlled by the company. Roads without value-capture logic should not be a first deployment priority.

12. Dividend Policy

12.1. Purpose

The purpose of this Dividend Policy is to establish a clear and disciplined framework for the declaration, retention, and distribution of profits by Oba Investment and Development Company Limited. The Policy is intended to balance three important objectives: preserving capital for growth, rewarding shareholders appropriately, and ensuring the Company maintains adequate liquidity and financial resilience at all times.

Given the Company's mandate as a long-term investment and development platform for Oba town, dividend decisions shall not be driven by short-term pressure to distribute cash. Rather, they shall be guided by the Company's stage of growth, capital commitments, project pipeline, funding needs, and long-term value creation strategy.

12.2. Policy Objective

The Company shall pursue a dividend approach that supports sustainable wealth creation. Accordingly, distributable profits shall be considered only after the Company has met its operational, project, capital expenditure, debt service, reserve, and working capital requirements. The Company shall seek to build a track record of prudent capital stewardship before adopting any aggressive cash distribution posture.

12.3. General Principles

Dividend declarations shall be based on audited or Board-approved distributable profits and shall at all times comply with applicable law, the Company's constitutional documents, shareholder arrangements, financing covenants, and any applicable restrictions at parent company or SPV level.

In determining whether a dividend should be declared, the Board shall have regard to the following:

- the profitability of the Company
- available distributable reserves
- current and projected cash flows
- approved capital expenditure commitments
- pipeline investments and expansion requirements
- debt service obligations and lender covenants
- the need to maintain prudent reserves
- macroeconomic and market conditions
- the long-term interests of the Company and its shareholders

No dividend shall be declared merely because the Company has recorded accounting profits. Cash availability, capital preservation, and project commitments shall be given equal importance.

12.4. Early-Stage Reinvestment Approach

During the Company's formative years, the primary financial priority shall be reinvestment into commercially viable projects, balance sheet strengthening, and reserve building. Accordingly, the Company may adopt a limited or nil dividend approach in its early years, particularly where retained earnings can be deployed into investments that offer stronger long-term value creation than immediate distribution.

Shareholders shall therefore understand that the Company is being established first as a growth and asset-building platform, and only thereafter as a consistent dividend-paying institution.

12.5. Conditions for Dividend Declaration

A dividend may only be recommended by the Board and approved in accordance with the Company's governance process where all of the following conditions are satisfied:

- the Company has generated lawful distributable profits;
- the Company is solvent and able to meet its liabilities as they fall due after the proposed dividend payment;
- the proposed dividend will not impair the Company's ability to fund approved projects, working capital needs, reserves, or debt obligations;
- the payment will not breach any financing covenant, shareholder agreement, or SPV restriction;
- the Board is satisfied that the dividend is prudent, fair, and aligned with the Company's long-term strategy.

12.6. Retained Earnings and Reserve Policy

Before considering dividend payment, the Company shall make provision for such reserves as the Board considers appropriate. These may include:

- general business reserves
- project development reserves
- debt service reserves
- maintenance and replacement reserves
- contingency reserves
- strategic opportunity reserves

The Board may determine from time to time that a specified portion of annual profits should be retained for reinvestment or reserve strengthening before any dividend is considered.

12.7. Parent Company and SPV Treatment

Where profits arise at project SPV level, distributions from SPVs to the parent company shall first be governed by the relevant SPV financing structure, partner arrangements, and project cash flow needs. The existence of profits in an SPV shall not automatically require or justify a dividend at parent-company level.

The Board shall ensure that project-level cash flows are not extracted prematurely in a manner that weakens project sustainability or breaches ring-fencing principles.

12.8. Frequency of Dividend Consideration

The Board may review dividend position annually following the completion of the annual audit, or at such other interval as it considers appropriate. Interim dividends may only be considered where cash generation is strong, reserves are adequate, and such payment is consistent with prudent financial management.

12.9. Share Class Treatment

Dividends shall be distributed in accordance with the rights attaching to each class of shares as set out in the Company's constitutional documents and shareholder agreements. Unless otherwise expressly provided, dividends shall be paid pro rata to shareholders based on their economic interest in the relevant class.

No distribution shall be made in a manner that unfairly prejudices any shareholder class or breaches agreed class right

12.10. Board Discretion

The recommendation of any dividend shall remain within the discretion of the Board, acting in good faith and in the best interests of the Company. Shareholders acknowledge that there is no automatic entitlement to dividends in any financial year, even where profits have been made.

12.11. Disclosure and Communication

Where the Board decides not to recommend a dividend in any year in which the Company has recorded profits, it may communicate the rationale to shareholders through the annual report or a formal shareholder update, particularly where retained earnings are being directed toward strategic growth, debt reduction, or project expansion.

12.12. Policy Review

This Dividend Policy shall be reviewed periodically by the Board and may be amended where necessary to reflect the Company's financial maturity, capital structure, project profile, and long-term strategic objectives.

13. Risks and mitigation

Risk area	Mitigation approach
Governance risk	Board independence, reserved matters, committee oversight, and conflict-of-interest controls.
Stakeholder fragmentation risk	Structured ownership rules, transfer controls, and defined nomination processes.
Fundraising risk	Anchor-first strategy, bankable flagship project packaging, and disciplined investor communications.
Execution risk	SPV structuring, feasibility requirements, and investment committee review before approval.
Perception risk	Transparency, audited reporting, and early visible execution on the first flagship project.

14. Resolutions requested

No.	Resolution
1	That Oba Investment and Development Company Limited be adopted in principle as the community-rooted, professionally governed investment and development holding company for Oba town.
2	That the parent-plus-SPV structure be adopted in principle.
3	That the proposed ownership framework and indicative cap table be approved as the basis for formal drafting.
4	That the proposed board and committee architecture be approved in principle.
5	That the phased fundraising strategy targeting an initial N1 billion be approved in principle.
6	That management and advisers be authorized to prepare the full governance, legal, fundraising, and project documentation required for launch.
7	That the first flagship project category be defined as markets and commercial property, with supporting land-led development opportunities to follow.

15. Next steps

Upon approval of this paper, the immediate next steps should be the preparation of the Shareholding and Governance Framework, the drafting of the shareholders' agreement and governance documents, the development of the anchor-round investor memorandum, the refinement of the cap table and nomination framework, and the preparation of the 12-month fundraising and execution dashboard.