

## **Zwitterion Owner-related Business Principles**

When deciding on ground floor principles to help give the corporation a structure, I looked to successful and reputable companies and tried to understand their approach. These companies range from major leaders of industries such as Apple or Microsoft, to their predecessors such as IBM or AMD. With judgment of my own and the primary safety of assets for shareholders kept in mind, I sat down and collaborated on a total of 11 principles which are and will be followed by Zwitterion corporation.

With the 11 listed principles, I hope our shareholders will better understand our approach to safety of assets.

1. Zwitterion is a corporation, but our attitude to shareholders is that much of a partnership. To gain a better understanding of a shareholder's position, it would be best to see the shareholder as an owner/partner. For I, Pouria Majma, along with the rest of the managers to come, should be considered as managing partners. Due to the size of our ownership in the corporation that I and the rest of the team hold, we can also be viewed the controlling partners. With that being said, the management team nor I view the company as the owner of our business assets, but instead we see the company as a means for our shareholders to own these assets.

The management team and I hope that you do not see your stake and ownership in Zwitterion as a piece of paper with a constantly changing market price, but rather as ownership to a farm or an apartment. I hope you can see yourself as a part owner of a business that you can own indefinitely as you would own a house with your family. Likewise, from the management team's perspective, we do not see our partners as a small population in a large crowd, but instead as individuals who have entrusted their valuable funds with us for what may be the remainder of their lives.

2. Along with the ownership-orientation, most of our directors have allocated a significant portion of their funds to the company. In other words, up to 80% our own wealth is also alongside yours. Although we are constantly dedicated to providing you with sufficient returns, we cannot promise you guaranteed results. But we will guarantee that your financial fortunes will move in direct correspondence to ours for the time period with which you wish to be our partner.

3. Zwitterion's long-term goal is to maximize the company's average annual rate of gain in the sense of intrinsic value on per-share basis. Our goal is not to measure our business footprint by the size of economic value; instead, we aim to measure it on a per-share basis. With this approach, we will likely see a significant increase in the share value in the coming few years, followed by a decrease in the growth of the per share value in the following years. This is often the case with most successful start-up corporations. But with that kept in mind, we will strive to beat the growth of your savings account, the local hedge fund, or major American corporations on a per-share basis, year over year.

4. Our main objective in the corporation is to directly own a diversified group of businesses that generate cash which consistently that earn above the average returns on capital. Our second approach is to own parts of similar businesses, bought through purchasable common stocks in the open market. It is best to keep in mind that the price we choose to purchase marketable shares of a business will vary with time and availability, along with the need for capital allocation within a given year.

With the above kept in mind, now would be a good time to introduce a few basic laws of investment that our share holders should know. With market fluctuations, an investment opportunity may arise or diminish. So, an investment opportunity to purchase a steak in a business that may have had been a good investment in the past, may be too overpriced today in relation to its intrinsic value. Thus, market fluctuations allow for better entry points into a business at a wonderful price, or perhaps the option to sell part of a business at a premium.

Overall, Zwitterions long term share holders are much more likely to benefit from a sinking market, just as how a delivery company may benefit from sinking petrol prices. So, when the market plummets (and it will from time to time) it is best to neither panic nor mourn. It is good news for Zwitterion.

5. Due to our approach to business ownership and business investments, along with the limits of the conventional accounting, reported earnings may disclose relatively little information on our definitive economic performance. But with that kept in mind, we as the managers will report to you the major businesses we control or hold shares of. The disclosure of the released information should help aid you in making appropriate judgments about their activities and performance.

For maintaining a structured balance sheet and disclosing valuable information to shareholders, quarterly and annual reports will be shared with you. Here at Zwitterion, as the primary decision maker, I depend on a hand full of educated, rational and realistic individuals who aid me in a decision-making process. So, rest assured, although I am in control of the business, such relevant decisions are made through multiple screening processes which intend for the best of the long-term shareholder.

Furthermore, as Class A shareholders, you also hold the rights to decision making, business projection, and testimonies at share holder meetings which are held at a minimum of once annually. During the annual shareholder meeting, we will try to explain relative figures and our approach in business. At said meetings, you will have the opportunity to have your questions answered by myself or the rest of the team.

6. It should be clarified that accounting consequences do not and will not influence our operating or capital allocation decisions. This is due to the earning of the businesses that we own or hold shares of. Earnings gained from such businesses over gradual years of ownership will not directly represent their per share value and thus cannot be calculated into the intrinsic earnings of our corporation accurately. So, to make matters simple, our earnings will represent per share value in relation to market value of our holdings.

7. Terms of debt. When it comes to debt, please be prepared, with a sufficient dose of epinephrine, to face the fact that Zwitterion is highly allergic to the term and. We do not believe in jeopardizing our balance sheet for interesting investing opportunities. Nevertheless, just like any healthy corporation, we may at times use our well leveraged balance sheet to borrow short term loans to be able to take advantage of strategic investment opportunities. With that kept in mind, we will never exceed 20% of our assets in the form of borrowed securities. On a regular basis, our corporate debt will remain under 5% of net assets and cash. We follow these strict guidelines because we do not believe it is logical to risk what you have for something that you do not need. This allows for peace of mind for our managers and for our investors.

8. Speaking of peace of mind, a managerial wish and dream list will not be filled at the shareholders' expense and risk. Our vision is to maintain a long-term approach for our businesses and our shareholders. So, rest assured or be concerned, we will not invest in the "next big thing". If rumor goes around that sometime in the future aliens will visit earth, we will be the last to invest in an alien language education academy. Or, if the consensus believes that a small cap company is the next IBM or Apple and the financial evaluations do not resemble that of these successors; we will not consider it as an investment. For the security of our assets, we will focus on reputable, profitable businesses which have been in operation for many years.

9. We feel our noble intentions should be checked periodically against our results. We will strive to retain a price-to-earning ratio of 1. This means that supply and demand for Zwitterion shares will not contribute to its market price. Instead, Zwitterion's market price will be directly in-line with its accumulated earnings and net asset price. Thus, our earnings and assets will be redeemable through Zwitterion's market price.

10. You should be completely aware of a prominent ideology shared within Zwitterion. As a company, we intend on investing in good businesses in the very long term. We are not interested in selling shares of any good businesses or sub-par businesses, if we expect them to generate some income and we are satisfied with its earnings, will not let it go. We are also very cautious when it comes to investing in poor businesses that are seen to have restoration potential; we believe it is going to result in a struggle that will not bear much fruit as often is the case.

11. We will not hesitate in our reporting to you, with great emphasis placed on pluses and minuses important in appraising business value. Our protocol would be to keep investors completely updated with various business facts that we would want to know if we were in your position. We believe in honesty and transparency. Through the annual report, we will communicate to shareholders valuable and accurate information. We will also convey crucial information in the quarterly reports posted on the internet. To make matters more simple for our dear investors, annual share holder letters will be sent which include a summarized version of our annual report.