REPRESENTATION PLAN

On behalf of Real Quik Convenience Stores Ltd.

BACKGROUND TO THE DISPUTE

Real Quik Convenience stores Ltd [referred as Real Quik] and Conglomerated Nanyu Tobacco, Ltd [referred as Nanyu Tobacco] have a long-lasting business relationship since 2000. The last Distribution Agreement between the Parties was signed on 14 December 2010. However, the Gondwandan Senate passed Bill 275 into law on 13 April 2012. The requirements as stated under Bill 275 subsequently made it impossible for Real Quik to comply with provisions of the agreement. Consequently, The Real Quik had no choice but to suspend its performance of the Agreement in light of the new Gondwandan tobacco regulations. Nanyu Tobacco Company insists that Real Quik need pay the liquated damage.

THE ISSUES

After the Bill 275 passed, Real Quik attempted to raise these concerns with the Nanyu Tobacco multiple times, but Claimant took an ironclad position that it would not budge from. The termination of the Agreement is due to factors outside of the Real Quik's control, which could not have been foreseen at the time the Agreement was signed, the Agreement is

thus frustrated, and the Respondent is not liable to pay any alleged termination penalty.

OUR INTERESTS

The implementation of bill275 makes the performance of obligations illegal. So the Real Quik terminated the contract reasonably and effectively. The reason for termination can make it exempted from liabilities so that it needn't to pay the liquidated damages to Nanyu Tobacco. The distribution agreement has been frustrated, so both the parties can negotiate the cooperation for future.

The Real Quik comes to the mediation with the following 3 interests.

- 1. The last distribution agreement has been frustrated.
- 2. Not need to pay the liquidated damages to the Nanyu Tobacco
- 3. If parties decide to continue the agreement, Nanyu Tobacco would like to decline the 20% higher price.
- 4. Maintaining a positive and lasting relationship with the Nanyu Tobacco.

OUR ALLOCATION STRATEGY

During the opening statements, Mr. Mancuso will outline his understanding of the issues and his respective interests. Ms. Worthington will ensure Mr. Mancuso remains open-minded and considers all possible positions. During the negotiation phase of the mediation, since Mr.

Mancuso still want to maintain a positive and lasting business relationship with Nanyu Tobacco, Mr. Mancuso and Ms. Worthington will work together to explore all possible options to resolve the disputes. At the conclusion of the mediation, it will be Mr. Mancuso who decided whether an acceptable outcome has been put on the table.