

REPRESENTATION PLAN

On Behalf of

REAL QUIK CONVENIENCE STORES LTD.

Facts & Background of the Dispute

This dispute concerns a distribution agreement between Conglomerated Nanyu Tobacco, Ltd. ("Nanyu") and Real Quik Convenience Stores Ltd. ("Real Quik") signed on 14 December 2010. Clean Our Air Bill came into force on 1 January 2013 in Gondawana which reportedly affected real quik's performance of the Agreement. A meeting between both parties was held in Nanyu City on 11 April 2013 to discuss renegotiations of the terms of the Agreement but was fruitless. A series of letters were exchanged between both parties addressing the concerns of Real Quik, primarily that the terms of the Agreement were in violation of Clean Our Air Bill. However no amicable solution could be reached. Real Quik then sent a notice of termination of the agreement effective from 1 June 2013, following a notification to Nanyu informing them of the termination. Nanyu thus requested that Real Quik pay liquidated damages in the sum of USD \$75,000,000 pursuant to Clause 60 of the Agreement. Real Quik claims that they are not liable to pay the liquidated damages as the termination of the Agreement was due to factors outside of the control of real quik, namely the new governmental regulations preventing the sale of branded merchandise and the need for plain packaged tobacco products. Further, real quik contends that under Clause 65 of the Agreement that the Parties were to undergo negotiation and consultation before arbitration could commence. Nanyu thus submits this issue to arbitration.

The Issue

Real Quik believes that the relationship between Nanyu has suffered a great strain. Real Quik is disappointed that Nanyu refuse to acknowledge the hardship that has been suffered due to the legal impediment that is Clean Our Air Bill. Real Quik feels that it is of utmost shame that Nanyu has failed to propose or agree to any attempts to renegotiation of the agreement. In light of the above, Real Quik believes that we do not have to pay the liquidated damages.

Our Interests

Real Quik comes to mediation with these interests:

- I. Preserving the relationship with Nanyu;
- II. The obligation in the agreement has been vitiated;
- III. Entering into a fresh distribution agreement with revised terms;
- IV. Not to be held liable for the liquidated damages.

Our Strategy

During the opening statements, Mr. Mancuso will outline his understanding of the issues and his respective interests. Mr. Worthington will ensure Mr. Mancuso remains open minded and considers all possible positions. During the negotiation phase of the mediation, Mr. Mancuso and Mr. Worthington will work together to explore all possible options to resolve the dispute. At the conclusion of the mediation, it will be Mr. Mancuso who decides whether an acceptable outcome has been put on the table.