

REPRESENTATION PLAN

On behalf of **CONGLOMERATED NANYU TOBACCO LTD.**

BACKGROUND TO THE DISPUTE

Conglomerated Nanyu Tobacco Ltd (“Nanyu”) and Real Quik Convenience stores Ltd. (“Real Quik”) started a long-term business relationship in 2000. During 2001 to 2009 ; the Gondwandan government has enacted several regulations on tobacco control. The parties had entered into a 10-year distribution agreement (“agreement”) in 2010. The Bill 275 (“Bill”) was enforced on 1 January 2013, which restricts the sale and promotion of tobacco products. Nanyu was willing to renegotiate in order to comply with the new regulation. Subsequently, Real Quik terminated the agreement on 1 May 2013 ensuing from a barren negotiation, in the absence of best efforts to maintain this relationship. As provided under the agreement, in the event of that the Real Quik terminates the agreement, it shall be liable to pay liquidated damages. However, Real Quik refused to undertake this liability. Consequently, on 12 January 2014 , Nanyu initiated arbitration against Real Quik to request for the liquidated damages.

THE ISSUES

Nanyu does not believe that it is unreasonable for the Real Quik to

foresee the new legislation, nor does Nanyu feel that Real Quik is justified in terminating the agreement. Nanyu has performed all obligations, and Real Quik chose to default on its obligations when the agreement could be performed in such a situation that it would not violate the new regulation and the 20% price premium is still reasonable. So it is rightly to claim the liquidated damages.

OUR INTERESTS

1. Real Quik should pay the liquidated damage.
2. The amount of the damage can be discussed.
- 3.If parties decide to continue the agreement , Nanyu Tobacco would like to maintain the 20% higher price.
4. Maintain a positive and lasting business relationship with Real Quik Convenience Store Ltd.

ALLOCATION STRATEGY

In the opening statements, Mr. Chow will outline his perception of the issues and his respective interests. During the negotiation phase of the mediation, since Mr. Chow still want to maintain a positive and lasting business relationship with Real Quik Convenience Store Ltd, Mr. Chow and Mr. Mayfair will work together to explore all possible options to resolve the dispute. At the conclusion of the mediation, it will be Mr.

Chow who decides whether to get the agreement or not.

Mr. Mayfair will mostly play a subsidiary role in all processes of the mediation, he will ensure Mr. Chow remains open minded and considers all possible positions, and meanwhile, he will be responsible for the legal framework of any arrangements.