

REPRESENTATION PLAN

On Behalf of

CONGLOMERATED NANYU TOBACCO 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

Nanyu feels that the relationship between the parties has fundamentally broken down. Nanyu does not believe that the obligation in the contract has been vitiated as Clean Our Air Bill does not affect the contract in totality. Further, Nanyu is extremely disappointed that Real Quik chose to terminate the contract instead of suspending it and continuing with negotiations. Nanyu also believes we are entitled the liquidated damages.

Our Interests

Nanyu comes to mediation with these interests:

- I. Preserving the relationship with Real Quik;
- II. Find an amicable solution to the dispute;
- III. The liquidated damages owed by Real Quik to be paid.

Our Strategy

During the opening statements, Mr. Chow will outline his understanding of the issues and his respective interests. Mr. Mayfair will ensure Mr. Chow remains open minded and considers all possible positions. During the negotiation phase of the mediation, 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 an acceptable outcome has been put on the table.