REPRESENTATION PLAN

On behalf of **Real QuikConvenience Stores Ltd.**

BACKGROUND TO THE DISPUTE

Conglomerated Nanyu Tobacco (hereinafter "Nanyu") and Real Quik Convenience Stores (hereinafter Real Quik) had a long business relationship since 2000. The latest Distribution Agreement was signed by both parties on December 14th 2010 for the duration of 10 years. According to the contract, Nanyu was to sell its products at a fixed price to Real Quik and was promised prominent display of its products and merchandise. Unfortunately, Bill 275, also called the "Clean our Air" Bill entered into force on January 1st 2013, which required all tobacco products to have the same plain olive green packaging without any trademarks. Also, any promotional merchandise branding the company logo was fully banned. The Bill made it extremely difficult for Real Quik to fulfill its contractual obligations, as following the Distribution Agreement was directly against domestic law. After the enforcement of Bill 275, sales of Nanyu's products declined significantly. Eventually, massive amounts of Nanyu's products piled up in the inventory and could no longer be handled.

In order to solve the problem, Real Quik continuously raised concerns on this issue and on April 11th 2013 requested Nanyu to renegotiate on the contract in light of the new Bill. Unfortunately, negotiations failed. On May 1st 2013, Real Quik had no choice but to terminate the contract. On June 1st 2013, although the reasons leading up to the termination were outside the control of Real Quik, Nanyu requested that it pay the termination fee as stated on Clause 60 of the Distribution Agreement. On September 26th 2013, Nanyu notified Real Quik that if the termination fee was not paid, Nanyu would initiate arbitration. Real Quik believes that the termination fee must be waived as the termination was a result of events outside its control. In addition, the mandatory 12 months negotiation period has not elapsed, making Nanyu's application for arbitration void.

THE ISSUES

Real Quik does not wish to pay the termination fee as the termination was the result of issues outside its control. Real Quik had to comply with the newly enacted Bill 275, and was left with no other options but to terminate the contract. Not only were the contractual obligations made illegal, but also caused great economic burden to Real Quik to abide by the minimum quantity and interval requirements. Furthermore, Real Quik is extremely disappointed by the fact that Nanyu initiated the arbitration without before the agreed upon period of 12 months of negotiation. If an effective negotiation had taken place, the dispute would have been settled without both parties incurring additional costs, and there would be no need for arbitration.

OUR INTERESTS

Real Quik's main interest is to be exempt of the termination fee. Real Quik is already facing massive economic loss from its efforts to follow the contractual obligations of the Distribution Agreement with Nanyu. It is an excessive economic burden for Real Quik to bear the termination fee as well as the accumulated economic loss that resulted from the passing of Bill 275, which was outside Real Quik's control. If Nanyu is not willing to give up or reduce the termination fee, Real Quik is willing to renegotiate the Distribution Agreement, so that both parties can reach a mutually beneficial consensus. Major changes would include the elimination all obligations that are inconsistent with Bill 275. Furthermore, minimum quantity and interval of the purchase of the goods should be adjusted to reasonably fit the changed circumstances. The term on prominent counter space display cannot be guaranteed anymore. Last but not least, premium price should be removed or reduced, as the brand value of Nanyu no longer has significant economic value due to the changes in packaging.

Real Quik comes to mediation with the following 4 interests:

1. Exemption of the termination fee of USD 75,000,000.
2. Show willingness to renegotiate on the Distribution Agreement as long as all clauses that go against Bill 275, such as selling tobacco related merchandise, are eliminated.

3. Reduce the minimum quantity of order and lengthen the minimum interval of purchase order issuance of Nanyu products.

4. Remove the premium price of Nanyu products.

RESPONSIBILITY SHARING

Mr. Mancuso, the head CEO of Real Quik, will be in charge of presenting the interest of Real Quik and proposing the agenda for the mediation. He will also make offers to Nanyu and decide which deals are acceptable. His legal counsel will be responsible for legal framework and support Mr. Mancuso so that he can reach satisfactory results.

OUR ALLOCATION STRATEGY

Real Quik wishes to start the mediation by discussing the issues both parties are willing to discuss. The main issue for Real Quik is to avoid the termination fee of USD 75,000,000. If Nanyu is willing to reduce the termination fee, Real Quik would also be willing to negotiate for a new Distribution Agreement. Real Quik will focus on getting rid of all issues that could be considered illegal in Gondwana. Next, Real Quik will renegotiate on minimum quantity and interval of purchase, as it caused Real Quik to suffer heavy economic losses. Also, Real Quik will try to remove the 20 percent premium price on Nanyu goods, as it can no longer be justified considering the sales decrease of Nanyu products. Through the mediation, Real Quik would like to readjust the contract to be fair for both parties.