

Mediation Representation Plan On Behalf of Conglomerated Nanyu Tobacco, Ltd

BACKGROUND TO THE DISPUTE

Conglomerated Nanyu Tobacco Ltd (“**Nanyu Tobacco**”) as seller and Real Quik Convenience Stores Ltd (“**Real Quik**”) as buyer entered into a commercial contract to buy and sell Tobacco Products since year 2000 and had recently renewed their Distribution Agreement (“**the Agreement**”) on the 14th of December 2010. Pursuant to the Agreement, both Real Quik and Nanyu Tobacco were obliged by their respective responsibilities as mutually agreed in the Agreement. However, a new “Clean our Air Bill” (“**Bill 275**”) enforced in Gondwana causes various difficulties for Real Quik to perform certain obligations under the Agreement. The enforcement of Bill 275 had caused a major drop in sales affecting both Real Quik and Nanyu Tobacco. A negotiation meeting was conducted without successful renegotiation of contract. While pending further negotiations, Real Quik terminated the Agreement.

INTEREST OF THE PARTIES

Nanyu Tobacco

- 1) Nanyu Tobacco wishes to claim for the Termination Fee in the event Real Quik does not show genuine intention to renegotiate the Agreement.
- 2) Nanyu Tobacco wishes to renegotiate the terms of the Agreement which is mutually acceptable and legally and commercially viable.
- 3) Nanyu Tobacco wishes to rebuild the trust and salvage the relationship with Real Quik.

Real Quik

- 1) Real Quik will most likely refuse to pay any of the Termination Fee.

2) Real Quik may be interested to preserve the business relationship between parties by accepting terms of Distribution Agreement which is legally and commercially viable.

RESPONSIBILITY SHARING

Mr. Marcus Chow will be in charge of presenting Nanyu Tobacco's interests and position. He will make settlement offers to Real Quik and finally decide whether a deal is acceptable. The legal representative, Mr. Adam Mayfair, will be responsible for addressing any legal issues and will provide objective leverage to the negotiation position of Nanyu Tobacco.

MEDIATION STRATEGY

During the beginning of the session, Mr. Marcus Chow will outline his understanding regarding all the issues and his interests through his opening statement. Mr. Adam Mayfair will ensure that Mr. Marcus remains open minded and considers all possible options.

The paramount consideration of Nanyu Tobacco is to continue their business relationship with Real Quik. Nanyu Tobacco is willing to make compromises that will mutually benefit both parties. Next, Mr. Adam and Mr. Marcus will attempt to reach out to Real Quik to encourage them to share their concerns and consideration. In return, Nanyu Tobacco wishes Real Quik to do the same. The issue at hand requires cooperation by both parties.

The practicability of the future agreement will be a cornerstone that will be strived for during negotiations. Essentially, the Agreement must be capable of being carried out legally under international and municipal laws. During the negotiation session, Mr. Marcus and Mr. Adam will work together to find a workable solution and all possibilities to resolve the dispute. At the end of mediation, Mr Marcus Chow will decide whether the outcome is acceptable or not.