

## **Mediation Representation Plan On Behalf of Real Quik Convenience Stores 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 Distribution Agreement (“**the Agreement**”) regarding Tobacco Products and its merchandises since year 2000 and had recently renewed the 10-year Agreement on 14<sup>th</sup> December 2010. Pursuant to the Agreement, Real Quik was obliged to buy Nanyu Tobacco’s products with various conditions including display requirements. However, an unexpected “Clean our Air Bill” (“**Bill 275**”) enforced in Gondwana rendered performance of a substantial part of the Agreement impossible. Apart from legal and economical difficulties faced by Real Quik, the enforcement of Bill 275 caused a major drop in sales affecting Real Quik directly. Despite Nanyu Tobacco’s assertion that Real Quik has to continue perform the Agreement without fail, Real Quik was forced to send a Notice of Termination and notify its disabilities to perform its duties under the current Agreement.

### **INTEREST OF THE PARTIES**

#### **Real Quik Convenience Stores Ltd**

- 1) Real Quik is interested in salvaging a good relationship with Nanyu Tobacco while avoiding possible legal and economical liability.
- 2) Real Quik wishes Nanyu Tobacco to share the responsibility for the Agreement’s failure.
- 3) Real Quik aims for a reduction of the minimum amount of tobacco to purchase per year.
- 4) Real Quik intends to secure a fair deal for itself with Nanyu Tobacco regarding the premium, which is being paid for the name, the trademark and the brand itself.
- 5) Real Quik proposes to alter the termination clause of the contract.

## **Conglomerated Nanyu Tobacco's Likely Interests**

- 1) Nanyu Tobacco is likely to claim for the termination penalty.
- 2) Nanyu Tobacco may be interested to continue the business relationship while maintaining the original terms and conditions of the Agreement provided that it is legally viable.

## **RESPONSIBILITY SHARING**

Mr. Charles Mancuso will be in charge of presenting Real Quik's interests and positions, he will make settlement offers to Nanyu Tobacco and decide whether a deal is acceptable. The legal representative, Mr. John Worthington will be responsible for addressing any legal issues and will provide objective leverage to the negotiation position of Real Quik.

## **MEDIATION STRATEGY**

In the opening statement, Mr. Mancuso will outline his perception of the issue and respective interests. If necessary, Mr. Worthington will finish the opening statements by presenting the legal issues related. During the negotiation phase, Real Quik will be aware of its alternative options to obtain tobacco products from other global suppliers or to change its market strategy but will be nevertheless prepared to work towards preserving and amending the relationship if there is genuine cooperation from Nanyu Tobacco. Regarding the terms of the Agreement, Real Quik's paramount interest is problem-solving, by avoiding or amending all terms that are in violation or impossible to perform due to the Gonwandan laws. Real Quik will be open for discussion on the aspect of the premium price as well as the minimum tobacco purchased per year. In order to show its good will in resolving this dispute amicably, Real Quik is willing to discuss and possibly lower its claims. Further, Real Quik intends to amend the termination clause of the Agreement to prevent similar conflicts occurring in the future. Throughout the mediation process, Mr. Worthington will ensure that Mr. Mancuso remains open-minded and considers all possible options for the best interest of Real Quik.