

Representation Plan on behalf of Conglomerated Nanyu Tobacco Ltd

Background to the dispute

In December 2010, Conglomerated Nanyu Tobacco Ltd (**Conglomerated**) entered into an agreement with Real Quick Convenience Stores Ltd (**Real Quick**) for the distribution of Conglomerated's tobacco products and branded merchandise. In 2011, Bill 275 was introduced announcing plain packaging requirements for all forms of tobacco. In the same year there was an exchange of communication between the parties over the possible effects of the passing of the Bill on their agreement. In January 2013, Bill 275 was entered into force. In April 2013, the parties had a meeting to renegotiate the agreement but they failed to reach to an outcome. In May 2013, Real Quick sent a notice of termination to Conglomerated. In June 2013, Conglomerated sent a letter to Real Quick requiring them to pay the liquidated sum of USD \$75,000,000 due to the early termination of the agreement. In July 2013, Conglomerated issued its first Notice of Default. In August 2013 issued its final Notice of Default. On 2 September 2013, Conglomerated issued a pre-action demand letter. On 26 September 2013, Real Quick sent a response letter noting that they were not liable to pay liquidated damages because the contract was frustrated.

Interests of the Parties

- Conglomerated:
 - (1) Conglomerated wishes to reduce the financial losses resulting from Real Quik's termination of the Distribution Agreement.
 - (2) Conglomerated would like Real Quik to acknowledge the difficulties and costs that the new Gondwandan laws have also caused for Conglomerated.
 - (3) Conglomerated wishes to rebuild its long-standing relationship with Real Quik and, if possible, negotiate a new Distribution Agreement.
- Real Quick:

- (1) Real Quik wishes to negotiate a new Distribution Agreement, which takes into account the changes in Gondwandan law.
- (2) Real Quik would like Conglomerated to share responsibility for the failure of the Distribution Agreement.
- (3) Real Quik wishes to rebuild trust and its long-standing relationship with Conglomerated, and believes that mediation would be better suited to achieving this aim than arbitration.

Negotiation Strategy

The preferred strategy is neither one adhering to the cooperative/integrative approach nor one following the competitive approach. We will remain open-minded and allow our approach to be flexible in order for it to be best suited to the circumstances, by adjusting it to the characteristics, personality and approach of Real Quik and its representative.

We choose to follow Gulliver's idea of a "successful" negotiation – where an agreed outcome is positively achieved for all issues. For this to be done the negotiation must be seen as a cyclical process of information exchange, learning and adjusting. We want to make sure we completely understand both our and Real Quik's true interests and realistic expectations. Moreover, we choose to follow the stages of negotiation as suggested by Gulliver. Those are: agenda definition, exploring the field (emphasis on differences), narrowing the differences, preliminaries to final bargaining (including establishing viable bargaining range and testing trading possibilities) and then proceed to the final bargaining.

Responsibility Sharing

Adam Mayfair, attorney, will be in charge of representing Conglomerated's interests and positions, conduct negotiations, make settlement offers to Real Quik and advice the Claimant on whether the deal is acceptable or not. He will focus on the Distribution Agreement, past incidents, possible future cooperation, as well as any kind of agreement; he will also assist the Arbitrator's Tribunal on all legal issues if needed.