

REPRESENTATION PLAN

On behalf of

Real Quik Convenience Ltd

BACKGROUND TO THE DISPUTE

Nanyu Tobacco Ltd. against Real Quik Convenience Stores Ltd.

Real Quik Convenience Stores Ltd. ("Real Quik") and Nanyu Tobacco Ltd. ("Nanyu Tobacco") have a long term cooperation relationship since 2000. Both party entered into a ten year Distribution Agreement in 2010 whereas in 2011 the government implemented Bill 275 to regulate the sales and packaging of tobacco products which rendered the Real Quik impossibility to continue performing the contract. Real Quik requested for renegotiation of the contract due to the significantly changed circumstance whereas Nanyu Tobacco refused to make any change. After a fruitless negotiation Real Quik terminated the contract and Nanyu Tobacco claimed liquidated damage over the termination.

THE ISSUES

Nanyu Tobacco claimed liquidated damage upon the Real Quik's termination of the Distribution Agreement. The Real Quik submits that the termination shall be exempted since it was due to the implementation of Bill 275, which has constituted exemption because of the restrict of packaging, trademark and promotional merchandise. So Nanyu Tobacco is not entitled to claim any damage under this convention.

OUR INTERESTS

Termination the contract is a necessary step for the Real Quik to safeguard its interest. Continue performing the contract is not only a violation of Bill 275, but also a significant economic lost to the Real Quik Ltd as the company has to continually input much more products than the demand in the country and arrange extra stocking place for the next ten years. It is of the Nanyu Tobacco's obligation to adapt the contract to the severely changed circumstance. The Real Quik Ltd have no choice but to terminate the contract when the other party failed to perform their obligation. The Real Quik Ltd should not be held liable for the amendment of the Nanyu Tobacco's failure of performance and for the payment of the claimed liquidated damage.

Real Quik comes to mediation with the following interests:

1. Amend the existing contract in accord with the changed circumstance; or
2. Not be held liable for the liquidated damage
3. If the parties decide to continue the agreement Real Quik would like to decline the 20% higher price

OUR ALLOCATION STRATEG

During the opening statements, Mr. Mancuso will address on his understanding of the issue and

the Real Quik's interest while his legal counsel will ensure Mr. Mancuso open minded and considers all possible positions. During the negotiation phase of the mediation, Mr. Mancuso and his legal counsel will work together to explore all possible options to resolve the dispute. At the conclusion of the mediation, it will be Mr. Mancuso who decides whether an acceptable outcome has been put on the table.
