

Mediation Representation Plan on Behalf of Real Quik Convenience Stores Ltd.

Background to the dispute: On 14 Dec 2010, Conglomerated Nanyu Tobacco Ltd. (“**Conglomerated**”) and Real Quik Convenience Stores Ltd. (“**Real Quik**”) entered into a Distribution Agreement (the “**Agreement**”) for the distribution of various tobacco products and branded merchandise. Pursuant to the terms of the Agreement, Real Quik was obligated to distribute Conglomerated’s products in Gondwana. On 1 Jan 2013, Gondwana entered into force new tobacco regulations (the “**Bill**”) which frustrated the Agreement. Due to this fact, not to make matters worse, the Real Quik exercised its right stipulated by the Agreement and terminated the Agreement. Even though the Bill made the Agreement impossible to perform, Conglomerated send two notices of outstanding termination penalty. Real Quik, refused to pay any compensation claiming exemption from liability under the applicable law.

Real Quik’s BATNA: Even though Real Quik does not depend on the distribution of Conglomerated’s tobacco products, especially since the tobacco in Gondwana was due to the effects of the Bill commoditized, such a loss of business partner would still constitute a loss of profit for Real Quik. Moreover, Real Quik has to keep in mind that it is uncertain whether a tribunal would exempt it from liability to pay the liquidated damages.

Real Quik’s WATNA: The worst alternative to a negotiated agreement for Real Quik is the possibility that the tribunal would find Real Quik liable to pay the liquidated damages in the sum of USD 75,000,000 together with interest on the amount.

Real Quik’s interests: Real Quik would prefer to avoid the resolution of the dispute through arbitration and with that in mind to avoid carrying all the damages that resulted from the necessity to terminate the Agreement. If a fair arrangement can be found, Real Quik is interested in continuing the business relationship as it intends to continue to distribute Conglomerated’s tobacco products. In line with this, Real Quik is interested in repairing the

trust between the parties and having Conglomerated understand that the non-performance and subsequent termination of the Agreement was a necessity due to effects of the Bill.

Conglomerated's likely interests: It is likely that Conglomerated is interested in being compensated for the losses incurred by the effects of the Bill. Further, it is likely that Conglomerated is interested in continuing with the distribution of its tobacco products in Gondwana and since Real Quik is still a dominant player on the market, Conglomerated may prefer to stay in business with Real Quik.

Responsibility Sharing: Mr. Mancuso will be in charge of presenting Real Quik's interests (and positions). He will make settlement offers to Conglomerated and finally, decide whether a deal is acceptable or not. The legal representative will be responsible for addressing all legal issues and will provide objective leverage to the negotiating position of Real Quik.

Mediation Strategy: In the opening statement, Mr. Mancuso will outline his perception of the issues and respective interests. If necessary, the legal representative will finish the opening statement by presenting the legal case and by adding concluding comments. During the negotiation phase, Real Quik is prepared to work towards amicable settlement emphasizing that that this dispute is merely the result of the effects of the Bill. In line of its interests, Real Quik is prepared to preserve the relationship with Conglomerated, saying that it would be more profitable for both parties to work together since both parties have dominant positions in their line of business. This is, however, contingent on renegotiation of some of the terms of the Agreement, especially payment of the 20% premium for all of Conglomerated's products. To show its good will to cooperate, Real Quik is prepared to pay some compensation if Conglomerated provides Real Quik with adequate proof of its losses. Should Conglomerated be willing to continue with the relationship, Real Quik would present few marketing ideas in order to fight the decline in sales of tobacco products in Gondwana.