

REPRESENTATION PLAN ON BEHALF OF REAL QUIK CONVENIENCE STORES

Facts

In December - 2010, Conglomerated Nanyu Tobacco Ltd. ("**Nanyu**") signed a new Distribution Agreement with Real Quik Convenience Stores ("**Real Quik**") for the sale of its range of tobacco products and merchandise. The agreement required Real Quik to purchase certain minimum cartons of tobacco products and branded merchandise within every three months. From 2013 onwards, Real Quik encountered difficulties in performing its contractual obligation due to the new Gondwandan legislation that introduced restrictions on packaging of tobacco products and banned the sale of branded merchandise. The parties met once thereafter to discuss the changed circumstances and find a mutually beneficial solution but, unfortunately, the negotiations were not conclusive. Nanyu was unwilling to discuss and negotiate certain issues like the premium on the purchase price and the minimum quantities that Real Quik was contractually obligated to purchase even though the latter's ability to perform both was seriously affected by the new legislation. Compelled by the situation, Real Quik terminated the agreement in order to avoid coming under the ambit of the new legislation and government sanction stipulated in it. Both parties share different views regarding the operability of the Termination Clause in the present situation wherein Real Quik's contractual obligations have been vitiated by the new legislation. Consequently, Nanyu has initiated arbitration proceedings against Real Quik to recover the outstanding termination penalty which the latter believes that it is not liable to pay due the agreement being frustrated after coming into force of the new legislation.

Interest of the Parties

1. Real Quik Convenience Store Ltd. wishes to highlight the circumstances due to which they were compelled to terminate the Distribution Agreement.

2. In light of the aforementioned, Real Quik Convenience Store Ltd. wishes to **show** that it was not liable to pay any monies arising from termination of the Distribution Agreement.
3. Real Quik Convenience Store Ltd. wishes to state that, even if the Respondent is likely to pay the stipulated damages, the same would be grossly excessive in light of the changed circumstances.
4. Real Quik Convenience Store Ltd. wishes to rebuild and restore its relationship with the Claimant.

Negotiation Strategy

At the outset, Real Quik Convenience Store Ltd. wishes to prepare an agenda of all the issues the parties intend to discuss. Firstly, Real Quik Convenience Store Ltd. would like to establish how termination of the Distribution Agreement was the only option left in light of the changed circumstances, and hence are not liable to pay any monies arising out of termination. Notwithstanding the aforestated situation, Real Quik Convenience Store Ltd. wishes to **state** that the stipulated damages are grossly disproportionate to the actual prospective harm caused to the Claimant. We hope the discussions are fruitful and consequently mend relationships between the Parties.

Mr. Charles Manusco, CEO of Real Quik Convenience Store Ltd., will conduct negotiations, however if necessary, he will be supported by his counsel. The CEO of Real Quik Convenience Store Ltd. will primarily focus on the facts and materials available, coupled with assistance on the legal aspects of the various situations and attempt to reach a mutually beneficial agreement.