



File No: 2(139)/AGR/EXM/CCP/2024
COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN

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EXEMPTION CERTIFICATE GRANTED U/S 5 READ WITH
SECTION 9 (1) (A) & (C) OF THE COMPETITION ACT, 2010 (ACT
NO. XIX OF 2010)

<u>PARTICULARS OF THE AGREEMENT</u>	
First Party: (the "Applicant")	M/s. Hoechst Pakistan Limited having its registered office at Plot No. 23, Sector 22, Korangi Industrial Area, Karachi.
Second Party:	Template (Non-Exclusive) Distribution Agreement executed separately with 23 different distributors
Type of Agreement:	Template (Non-Exclusive) Distribution Agreement (the "Agreement") – (Copy enclosed)
Date entered into:	Different dates with different distributors
Validity Period of the Agreement:	Pursuant to clause 15, the "Agreement" shall come into effect on the effective date and, unless terminated in accordance with its terms
Product(s) and services covered under the Agreement:	"Products" mentioned in Exhibit 1 of the "Agreement"



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In exercise of the powers conferred under Section 5 read with Section 9 (1) (a) and (c) of the Competition Act, 2010 (the "Act") and based on the information provided by M/s. Hoechst Pakistan Limited (the "Applicant"), this exemption is granted to the following clauses of the Template Distribution Agreement (the "Agreement") from the application of Section 4 of the Act subject to the conditions specified hereunder:

PARTICULARS OF THE EXEMPTION GRANTED	
Exemption granted:	<ul style="list-style-type: none">▪ On Clause 2.1 -Appointment of distributors (23 distributors).▪ On Clause 3.1.2- Exclusivity.▪ Clause 3.1.4- Territorial Exclusivity and▪ Exhibit 11- Territories assigned
Granted period:	From 1 st August, 2024 till 31 st July, 2027
Conditions:	<ol style="list-style-type: none">1. The Applicant shall ensure that it does not engage in any anticompetitive behaviour and/or practices as outlined in Chapter II of the Act including but not limited to:<ol style="list-style-type: none">i. Abuse of dominant position U/S 3;ii. Prohibited agreements U/S 4;iii. Deceptive marketing practices U/S 10; andiv. Any mergers or acquisition in violation of Section 11.2. The template agreement submitted to the Commission shall be executed with all distributors <i>mutatis mutandis</i>;3. The Applicant shall not add any restrictive clause(s) to its agreements with individual distributors beyond those exempted under this certificate. The Applicant may, however, incorporate any or all of the exempted clauses into such agreements;4. The Applicant shall notify the Commission of any amendment(s) to the "Agreement" within fifteen (15) days of such change, providing a copy of the amended agreement, particularly regarding clauses exempted under this certificate, including the ones submitted for exemption under Section 5 of the Act;5. The Applicant shall not increase price(s) of products and/or services without verifiable empirical justification, in violation of Section 3 and fix the price(s) of



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	<p>its products and/or services in violation of Section 4 of the Act;</p> <ol style="list-style-type: none">6. The exemption granted is subject to the condition that it is not used as a permission for transfer pricing or evade the regulatory restrictions, if any against transfer pricing;7. The Applicant shall ensure that its conduct does not result in market foreclosure;8. The Commission reserves the right to verify actual progress against the financial and non-financial commitments submitted in support of this exemption, including demonstrable evidence of benefits as outlined below:<ol style="list-style-type: none">i. Realizing the distributional efficiency and effectiveness;ii. Providing free home delivery of Insulins to diabetic patients through distribution partners;iii. Facilitate the timely and efficient delivery to pharmacies ensuring the availability of HPL Products; andiv. Expansion of the distribution network branches in other cities creating more employment opportunities.9. The Applicant shall submit a yearly quantifiable compliance report on 30th June each year against commitments made through its submissions, which are reproduced in Condition-8 above;10. The Commission reserves the right to review and revise the conditions of this Exemption, as deemed necessary;11. Breach of terms of this exemption shall have an immediate effect of cancellation of this exemption; and12. The Applicant shall submit an application for grant of extension in exemption at least three (3) months prior to expiry of this exemption certificate, in case of having an ongoing 'Agreement' with restrictive covenants.
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Without prejudice to the generality of Section 6 of the Act, the grantee of the exemption shall inform the Commission forthwith and seek clearance for continuation of the exemption if there is any material change, *inter alia*, in: (i) the terms of the "Agreement"; (ii) the market share of the products and/or services covered under the "Agreement"; or (iii) the regulatory or policy framework in the relevant market in which the parties are operating.

Granted on the 28th day of March, 2025 at Islamabad.

Registrar

Seal of the Commission

Shahzad Hussain
Registrar

Note: All the enclosures form an integral part of this exemption certificate.