



File No: 2(86)/AGR/EXM/CCP/2024
COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN

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EXEMPTION CERTIFICATE

In pursuance of the powers conferred under Section 5 read with Section 9 of the Competition Act, 2010 (the "Act") and based on the information provided by M/s. Telenor Pakistan (Pvt.) Limited (the "Applicant") the Competition Commission of Pakistan (the "Commission") hereby grants exemption on the relevant clauses of the Franchise Agreement (the "Agreement") from the application of Section 4 of the Act as per the conditions mentioned hereunder:

PARTICULARS OF THE AGREEMENT

First Party: (the "Applicant")	M/s. Telenor Pakistan (Pvt.) Limited having its registered office at Telenor 345, Plot 55, River View Avenue, Block B, Gulberg Greens, Islamabad.
Second Party:	Franchise Agreement executed separately with 387 Franchisees, and other parties (List of Franchisees enclosed as Annex-A)
Type of Agreement:	'Franchise Agreement' – Copy of the "Agreement" as submitted to the Commission is attached herewith.
Date entered into:	Different dates with different Franchisees and parties.
Validity of the Agreement:	Pursuant to Clause 7, the "Agreement" begins on the commencement date and continues until the date of expiry as described in Schedule 1 of the "Agreement".
Products/Services:	<i>Pursuant to Clause 3.1.5 of the Agreement, "Products & Services (including but not limited to Handsets, Franchisor SIM Cards, information and materials related to Financial Services, VAS, Scratch Cards, or any other airtime top-up solution, which may be introduced by Franchisor now or in the future, Subscription forms or any other materials as decided by Franchisor from time to time) as per the Franchisee's credit limit decided by the Franchisor."</i>

*All the enclosures are an integral part of this exemption certificate.



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PARTICULARS OF THE EXEMPTION GRANTED	
Exemption granted against:	<p>The Commission has granted exemption U/S 5 of the Act on the following clauses of the Agreement:</p> <p>Clause 3.3.9 (Territorial exclusivity) <i>"The Franchisees shall arrange exclusive shops, the location whereof shall be agreed mutually by the Franchisor and the Franchisee, to sell only Franchisor Products and Services"</i>.</p> <p>Clause 3.4.2 (Non-Compete) <i>"The Franchisee shall not engage itself in any sales or promotional activity on behalf of any other mobile telecommunication operator or competitor of Franchisor without Franchisor's prior written consent"</i>.</p> <p>Clause 3.4.9 (Territorial Limitation) <i>"The Franchisee shall not distribute or sell any Franchisor products and services to Franchisee's retailers or to Franchisor's existing or potential Subscribers outside the territory assigned by Franchisor and specified in Schedule 7"</i>.</p> <p>Clause 6.8 (Non-Compete) <i>"The Franchisee shall ensure that neither itself nor any parties associated with the Franchisee (included but not limited to any or all direct blood relatives) are operating a Franchise or Franchisee setup for a competing mobile operator or other mobile player in Pakistan or otherwise engaged in operations linked to a competing mobile operator"</i>.</p>
Granted period:	From 1 st July, 2024 till 30 th June, 2027

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PARTICULARS OF THE EXEMPTION GRANTED

Conditions:

1. This exemption is effective only for the territory of Pakistan;
2. This exemption is granted only against the specific clauses of the "Agreement" as mentioned above;
3. The Applicant shall ensure that they do not indulge in any anticompetitive conduct/practice as outlined in Chapter II of the Act including but not limited to:
 - i. Fixing the selling or purchase price.
 - ii. Limiting technical development or investment.
 - iii. Quota/Market allocation.
 - iv. Bid rigging.
4. The exemption is granted only to the extent of "Products and Services" pursuant to clause 3.1.5 of the "Agreement";
5. The Applicant shall notify the Commission of any amendments made, particularly to the clauses exempted under this certificate;
6. The Applicant shall ensure that the Template Franchise "Agreement" submitted to the Commission for consideration of exemption is used for signing with all the Franchisees engaged for the purpose in the territory;
7. The exemption granted is subject to the condition that it aligns with the regulatory requirements for transfer pricing and that the undertaking will not engage in any practice that could distort competition in the market;
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 customer benefits as outlined below:
 - i. Establishing exclusive shops within the designated territory ensures the efficient delivery of high quality services to customers.
 - ii. Conducting regular training sessions for the Franchisees.
9. The Applicant shall provide quantifiable data with respect to the benefit(s) as envisaged in Condition 8 of this Exemption Certificate if and when extension in exemption is sought;
10. The Applicant or its successor shall intimate the Commission in case of any change in the ownership of Telenor Pakistan resulting from the proposed merger, along with its impact on the 'Franchise Agreement' within thirty (30) days of Merger Order/Clearance.
11. The Commission reserves the right to review and revise the conditions of this Exemption as deemed necessary;
12. Breach of terms of this exemption, shall have an immediate effect of cancellation of this exemption;
13. The Applicant shall seek extension at least three (3) months prior to the expiry of this exemption being granted.

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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 approval 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 services covered therein; and this exemption being granted.

Granted on the 31st day of December, 2024 at Islamabad.

Seal of the Commission

Registrar
Shahzad Hussain
Registrar
Competition Commission of Pakistan
Government of Pakistan
Islamabad

**All the enclosures are an integral part of this exemption certificate.*