



File No: 2(549)/AGR/EXM/CCP/2024
COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN

7th Floor, ISE Towers,
55 – B, Jinnah Avenue,
Islamabad.
Tel: +92-051-9100260
Fax: +92-051-9100297

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: ("Applicant")	M/s. Indus Motor Company Ltd having its registered office at Plot No. N.W.Z/1/P-1, Port Qasim Authority, Karachi, Pakistan (hereinafter referred to as the 'Company').
Second Party:	Standard Agreement executed with individual dealers.
Type of Agreement:	Indus Motor Company Limited Toyota Certified Used Vehicle Dealership Agreement (the "Agreement") – Actually executed agreement submitted as a Template is enclosed herewith – 'Annex A'.
Date of Agreement:	Different dates with different Dealers.
Validity Period of the Agreement:	The "Agreement" is valid from the date of its signing, and shall continue in full effect for a period of three (3) years; and shall run concurrently with the Authorized Dealership Agreement.
Product(s)/Services covered under Agreement:	Pursuant to Article I(b) of the "Agreement", sale and service of the TSURE vehicles using Toyota Products as referred in the 'Recitals' of the "Agreement" which have the same meaning as stated in the 'Authorized Dealer Agreement' – 'Annex-B'.



COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN

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. Indus Motor Company Limited (the "Applicant"), this exemption is granted to the following clauses of the Toyota Certified Used Vehicle Dealership 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 Article 1(b) – territorial restriction.▪ On Article 18 – territorial restriction.
Granted period:	From 1 st November 2024 till 30 th April 2026.
Conditions:	<ol style="list-style-type: none">1. The Applicant shall ensure that it does not engage in any anticompetitive behaviour and 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 Dealers <i>mutatis mutandis</i>;3. The Applicant shall not add any restrictive clause(s) to its agreements with individual Dealers 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", particularly regarding the articles exempted under this certificate pursuant to Section 5 of the Act, within fifteen (15) days of such change, and provide a copy of the amended agreement;5. The Applicant shall not increase price(s) of its products and/or services without verifiable empirical justification, in violation of Section 3 and fix the price(s) of its products and/or services in violation of Section 4 of the Act;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. It is the responsibility of the Applicant to ensure compliance with the Auto Industry Development & Export Policy and other directives, as applicable and issued for compliance in the territory;9. 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 including but not limited to the following:



COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN

PARTICULARS OF THE EXEMPTION GRANTED	
Conditions:	<ol style="list-style-type: none">i. Improve service quality, customer support, and production planning.ii. Evidence of enhanced competition among dealers, leading to better customer service; andiii. Evidence of efficient service and supply at competitive prices (not above the industry/market rates) within designated areas. <ol style="list-style-type: none">10. The Applicant shall submit a yearly quantifiable compliance report on June 30th of each year against the commitments made through its submissions, which are reproduced in Condition-9 above;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; and13. 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;

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 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.

Seal of the Commission

Registrar

Shahzad Hussain
Registrar
Competition Commission of Pakistan
Government of Pakistan
Islamabad

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