



File No: 2(132)/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) AND (c) OF THE COMPETITION ACT, 2010  
(ACT NO. XIX OF 2010)**

WHEREAS, M/s. National Foods Limited, (hereinafter referred to as the 'Undertaking') applied for the grant of template exemption vide its letter no. NFL/Corp/2024/171 dated 27<sup>th</sup> September, 2024 to clause 4(iii) and 18(vii) of its Sales of Goods Agreement (hereinafter referred to as the 'Agreement') with its distributors on the authority of the Board Resolution dated 15<sup>th</sup> May, 2025 on the following grounds:

- Quantifiable cost reductions and improvements in delivery times;
- Increased investment in innovation and expansion plans; and
- Improved product availability and product introduction.

AND WHEREAS, the relevant details of the Agreement and clauses to be exempted are as follows:

<b><u>PARTICULARS OF THE AGREEMENT</u></b>	
<b>First Party:</b>	M/s. National Foods Limited having its registered office at 12/CL-6, Claremont Road, Civil Lines, Karachi (hereinafter referred to as the 'Company' or 'NFL').
<b>Second Party:</b>	Standard Agreement executed with individual 'sellers' or 'distributors' (664 distributors as per the list provided vide email dated 13 <sup>th</sup> November, 2024) – (Annex-A).
<b>Type of Agreement:</b>	Sales of Goods Agreement (Annex-B).
<b>Date of Agreement:</b>	Different dates with different distributors.
<b>Validity Period of the Agreement:</b>	Pursuant to clause 3 of the Agreement, it shall be effective from the date of signing and shall, unless earlier terminated in accordance with the provisions of the Agreement, continue in force for a period of <u>one (1) year</u> . Thereafter the Agreement shall be renewed automatically for successive periods of one year each unless terminated earlier in accordance with clause 13 of the same.
<b>Product(s)/Services covered under the Agreement:</b>	A wide range of edible food products (spices, pickles, ketchup, jams, jellies, sauces, mayonnaise, salt, ready to eat meals among others) under various trademarks. Details provided in Schedule-A of the Agreement. (Annex-C)



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NOW THEREFORE, based on the information provided by the M/s. National Foods Limited, the Competition Commission 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'), hereby grants extension of exemption regarding specific clauses of the Agreement subject to the conditions specified hereunder:

PARTICULARS OF THE EXEMPTION GRANTED	
Exemption granted:	<ul style="list-style-type: none"><li>▪ On Clause 4(iii) – territorial exclusivity.</li><li>▪ On Clause 18(vii) – non-compete restriction.</li></ul>
Granted period:	From 1 <sup>st</sup> October 2024 till 30 <sup>th</sup> September 2026.
Conditions:	<ol style="list-style-type: none"><li>1. The Undertaking shall submit a verifiable compliance report on June 30<sup>th</sup> each year against the commitments made for the grant of this exemption;</li><li>2. The Commission reserves the right to verify the following against the baseline benchmarks (to be submitted within 30 days of issuance of this certificate):<ol style="list-style-type: none"><li>i. Cost reductions and improvements in delivery times;</li><li>ii. Increased investment in innovation and expansion plans; and</li><li>iii. Improved product availability and product introduction.</li></ol></li><li>3. The Undertaking shall ensure that it does not engage in any anticompetitive behaviour and/or practices, including market foreclosure, as outlined in Chapter II of the Act, including but not limited to:<ol style="list-style-type: none"><li>i. Abuse of dominant position u/s 3;</li><li>ii. Prohibited agreements u/s 4;</li><li>iii. Deceptive marketing practices u/s 10; and</li><li>iv. Any mergers or acquisition in violation of Section 11.</li></ol></li><li>4. The template agreement submitted to the Commission shall be executed with all distributors <i>mutatis mutandis</i>;</li><li>5. The Undertaking shall not add any restrictive clause(s) to its agreements with individual distributors beyond those exempted under this certificate. The Undertaking may, however, incorporate any or all of the exempted clauses into such agreements;</li><li>6. The Undertaking shall notify the Commission of any amendment(s) to the Agreement within fifteen (15) days of such change, and also provide a copy of the executed agreement;</li><li>7. The Undertaking shall not increase the price(s) of its products without verifiable empirical justification and in violation of Section 3 of the Act. Similarly, it shall not fix the price(s) of its products in violation of Section 4 of the Act;</li><li>8. The exemption shall not be used as a permission for transfer pricing or to evade regulatory restrictions, if any against transfer pricing;</li></ol>



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PARTICULARS OF THE EXEMPTION GRANTED	
Conditions:	<p>9. The Commission may review and revise the conditions of this Exemption, as deemed necessary;</p> <p>10. Breach of terms of this exemption shall have an immediate effect of cancellation of this exemption;</p> <p>11. Since the Agreement is ongoing, the Undertaking shall submit an application for grant of extension in exemption at least three (3) months prior to expiry of this exemption certificate.</p>

MOREOVER, 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 products covered under the Agreement; or
- (iii) The regulatory or policy framework in the relevant market in which the parties are operating.

Granted on the 15<sup>th</sup> day of May, 2025 at Islamabad.

*Saeed Ahmad Nawaz*  
Member (Exemptions)

Seal of the Commission

Shahzad Hussain  
Registrar  
Competition Commission of Pakistan  
Government of Pakistan  
Islamabad

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