



File No: 2(53)/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) AND (c) OF THE COMPETITION ACT, 2010
(ACT NO. XIX OF 2010)

WHEREAS, M/s. Pepsi-Cola International (Pvt.) Limited, (hereinafter referred to as the Undertaking) applied for the grant of individual exemption vide its letter dated 12th October, 2023 and 13th May, 2025 for the restrictive clauses, 2(a) and 2(b) of its Exclusive Beverages and Bottled Water Supply Agreement (hereinafter referred to as the Agreement) with M/s. Air Blue Limited (hereinafter referred to as the Counterparty) on the authority of the Board Resolution dated October, 2021, on the following grounds:

- Efficient distribution of products and services;
- Supply of quality products to the consumers; and
- Improved product availability and new product introduction.

AND WHEREAS, the agreement is essentially an arrangement for not to deal with non-parties and may, therefore, institutionalize charging of economic rent, reducing consumer surplus and social welfare. Relevant details of the Agreement and specific clauses to be exempted are as follows:

<u>PARTICULARS OF THE AGREEMENT</u>	
First Party:	M/s. Pepsi-Cola International (Pvt.) Limited, having its registered office at 37-C-1, Gulberg-III, Lahore.
Second Party:	M/s. Air Blue Limited, having its registered office at 12 th Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Blue Area, Islamabad.
Type of Agreement:	Exclusive Beverages and Bottled Water Supply Agreement (Annex-A).
Date of Agreement:	1 st December, 2023.
Validity Period of the Agreement:	Pursuant to Clause 8.1 of the Agreement; from 1 st December, 2023 to 30 th November, 2026.
Product(s)/Services covered under the Agreement:	Pursuant to Clause 3 of the Agreement: Pepsi Cola, Pepsi Zero Sugar, Diet Pepsi, Seven-Up, Seven-Up Zero Sugar, Seven-Up Strawberry Lemonade, Mirinda, Mountain Dew, Aqualina, Sting Red, Sting Yellow, Sting Blue and Gatorade.



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NOW THEREFORE, based on the information provided by the Undertaking, the Competition Commission of Pakistan (the Commission), 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:	Exclusivity: <ul style="list-style-type: none">▪ Clause 2(a); only to serve PCI products covered under the Agreement.▪ Clause 2(b); not to serve the products of competitors subject to the amendment stated in Condition-4 of this certificate.
Granted period:	From 1 st December 2023 till 30 th November 2026.
Conditions:	<ol style="list-style-type: none">1. The Undertaking shall submit a verifiable compliance report on June 30th each year against the commitments made for the grant of this exemption;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">i. Evidence of no stock-outs or delayed deliveries;ii. Data on products returns and customers complaints; andiii. Quality improvements and new products introduced;3. The Undertaking 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 w/s 3;ii. Prohibited agreements w/s 4;iii. Deceptive marketing practices w/s 10;iv. Any mergers or acquisition in violation of Section 11; andv. Charging of economic rent to the detriment of consumer surplus and social welfare.4. The Undertaking shall revise clause 2(b) of the Agreement to remove specific reference to 'The Coca-Cola Company', ensuring the provision applies generally to all competitors;5. The Undertaking shall secure ratification of the proposed amendment in Condition-4 from the counterparty and provide the Commission with confirmation of compliance within thirty (30) days of issuance of this certificate;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;7. The exemption shall not be used as a permission for transfer pricing or to evade regulatory restrictions, if any against transfer pricing;8. The Commission may review and revise the conditions of this Exemption, as deemed necessary;



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PARTICULARS OF THE EXEMPTION GRANTED	
Conditions:	9. Breach of terms of this exemption shall have an immediate effect of cancellation of this exemption; and 10. In case of having an ongoing Agreement, the Undertaking shall submit an application for grant of extension in exemption at least three (3) months prior to expiry of this exemption certificate.

MOREOVER, without prejudice to the generality of Section 6 of the Act, the grantee(s) 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 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 5th day of June, 2025 at Islamabad.

Saeed Ahmad/Nayvaz
Member (Exemptions)

Seal of the Commission

Shahzad Hussain
Registrar
Competition Commission of Pakistan
Government of Pakistan
Islamabad

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