



File No: 2(652-A)/AGR/EXM/CCP/2023
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 the Applicant, the Competition Commission of Pakistan (the "Commission") hereby grants exemption to the relevant articles of the General Agreement for Technical Collaboration & KD Supply mentioned below from the application of Section 4 of the Act as per the conditions mentioned hereunder:

PARTICULARS OF THE AGREEMENT

First Party:	M/s. KIA MOTORS CORPORATION 'KMC' having its registered office at 12, Heolleung,-Ro, Seocho-Gu, Seoul, 06797, the Republic of Korea
Second Party: ("Applicant")	M/s. Lucky Motor Corporation Limited 'LMCL' having its registered office at Arabian Sea Country Club, Bin Qasim Industrial Park (SEZ), Pakistan Steel Mills, Bin Qasim Town, Karachi, Pakistan
Type of Agreement:	General Agreement for Technical Collaboration & KD Supply (the "Agreement"); Initialed copy of the executed "Agreement" as submitted to the Commission is attached herewith (including the addendum dated 20 th December, 2017)
Date entered into:	On 6 th March 2017
Validity Period of the Agreement:	Six (6) years from date of mass production (Article 21) i.e. from June 2019 till June 2025
Product(s) covered under Agreement:	"Products" as specified in the addendum to the "Agreement" dated 20 th December, 2017 : <ul style="list-style-type: none">▪ KIA Sportage 2.0L/2.4 L GSL M/T & A/T, 2WD/4WD▪ KIA Picanto 1.0L GSL M/T & A/T, SDR



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PARTICULARS OF THE EXEMPTION GRANTED	
Exemption granted:	<ul style="list-style-type: none">▪ On Article 2.1 - to the extent of exclusivity of license▪ On Article 2.4 - to the extent of restriction on sub-licensing
Granted period:	From 29 th December 2022 till 30 th June 2025
Conditions:	<ol style="list-style-type: none">1. By virtue of exemption granted on the relevant articles of the "Agreement", the parties to the "Agreement" shall not engage directly or indirectly in any practice(s) and/or conduct(s) that is prohibited under the Competition Act, 2010;2. If a consent is granted to the Applicant for sub-licensing pursuant to Article 2.4 of the "Agreement", the same will be intimated to the Commission within 15 days of such decision;3. The Applicant will ensure and maximize localization of parts/components pursuant to Article 13 of the "Agreement". The same will be given due consideration, if an extension of this exemption is applied;4. If license is also granted to the applicant pursuant to Article 2.1 for the manufacturing of models mentioned in Attachment-4 of the "Agreement" the same will be communicated to the Commission within 15 days of such decision;5. The parties to the "Agreement" shall ensure due compliance to the Competition Act, 2010 if down-stream distribution agreement(s) are entered into for products manufactured/produced under the "Agreement";6. If there is any transfer or assignment of the "Agreement" pursuant to Article 24, the same will be intimated to the Commission within 15 days of such decision;7. 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;8. It is the responsibility of the Applicant to ensure that valid licence exists from EDB and other relevant authorities to manufacture, assemble, market and sell the products in the territory as covered under the "Agreement";9. In case, the Manufacturing Certificate issued by the EDB is not renewed for the products covered under the "Agreement", the same will be immediately informed to the Commission;10. If an approval is granted to the Applicant for use of trademark pursuant to Article 7 of the "Agreement" or a change in the registered trademarks is allowed for use by the Applicant, the same will be intimated to the Commission within 15 days of such decision;



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PARTICULARS OF THE EXEMPTION GRANTED	
Conditions:	<ol style="list-style-type: none">11. The exemption is being granted to the extent of 'Products' as mentioned above. In case of change to the products covered under the "Agreement", the same will be communicated within fifteen (15) days of such decision;12. The exemption does not entail approval on any pricing aspects of 'products' covered under the "Agreement";13. The Applicant shall intimate to the Commission in case of any amendment(s) made to the "Agreement";14. In case of termination pursuant to Article 21 of the "Agreement", the same will be communicated to the Commission within 15 days of such decision;15. For renewal of this Exemption (if required), it will be the prime responsibility of the Applicant to seek extension as per relevant framework at least three (3) months prior to the expiry of this exemption;16. The Commission reserves the right to seek actual progress and data on financial and non-financial information provided in support of this exemption including the customers' benefit envisaged and submitted;17. The Commission reserves the right to review and revise the conditions of this Exemption, as deemed necessary;18. This Exemption is effective only for the territory of Pakistan;19. Breach of terms of this exemption, shall have an immediate effect of cancellation of this exemption.

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 covered under the "Agreement"; or (iii) the regulatory or policy framework in the relevant market in which the parties are operating.

Granted on the 4th day of September, 2024 at Islamabad.

Seal of the Commission

Shahzad Hussain
Registrar
Competition Commission of Pakistan
Government of Pakistan
Islamabad