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LOAN NUMBER 3318-BAN

LOAN NUMBER 3319-BAN(SF)

PROGRAM AGREEMENT  
(Third Capital Market Development Program)

between

ASIAN DEVELOPMENT BANK

and

BANGLADESH SECURITIES AND EXCHANGE COMMISSION  
BANGLADESH BANK  
INSURANCE DEVELOPMENT AND REGULATORY AUTHORITY

DATED 22 NOVEMBER 2015

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BAN 45253

## **PROGRAM AGREEMENT**

PROGRAM AGREEMENT dated 22 November 2015 between ASIAN DEVELOPMENT BANK (“ADB”) of the one part and BANGLADESH SECURITIES AND EXCHANGE COMMISSION (“BSEC”), BANGLADESH BANK (“BB”) and INSURANCE DEVELOPMENT AND REGULATORY AUTHORITY (“IDRA”) of the other part.

### **WHEREAS**

(A) by a Loan Agreement of even date herewith between the People’s Republic of Bangladesh (“Borrower”) and ADB (“Special Operations Loan Agreement”), ADB has agreed to make to the Borrower a loan of seventy one million six hundred eighty three thousand Special Drawing Rights (SDR71,683,000) on the terms and conditions set forth in the Special Operations Loan Agreement;

(B) by a Loan Agreement of even date herewith between the Borrower and ADB (“Ordinary Operations Loan Agreement”, and together with the Special Operations Loan Agreement, “Loan Agreements”), ADB has agreed to make to the Borrower a loan of one hundred fifty million Dollars (\$150,000,000) on the terms and conditions set forth in the Ordinary Operations Loan Agreement;

(C) ADB has agreed to make the Loans only on the condition that BSEC, BB and IDRA agree to undertake certain obligations towards ADB set forth herein; and

(D) BSEC, BB and IDRA, in consideration of ADB entering into the Loan Agreements with the Borrower, have agreed to undertake the obligations set forth herein;

NOW THEREFORE the parties hereto agree as follows:

## **ARTICLE I**

### **Definitions**

Section 1.01. Wherever used in this Program Agreement, unless the context otherwise requires, the several terms defined in the Loan Agreements and in the Loan Regulations (as defined in each of the Loan Agreements) have the respective meanings therein set forth.

## ARTICLE II

### Particular Covenants

Section 2.01. (a) BSEC, BB and IDRA shall carry out the Program with due diligence and efficiency, and in conformity with sound applicable technical, financial, business, and development practices.

(b) In the carrying out of the Program and operation of the Program facilities, BSEC, BB and IDRA shall perform all obligations set forth in the Loan Agreements to the extent that they are applicable to BSEC, BB and IDRA, respectively.

Section 2.02. BSEC, BB and IDRA shall make available, promptly as needed, and on terms and conditions acceptable to ADB, the funds, facilities, services, and other resources as required, in addition to the proceeds of the Loan, for the carrying out of the Program.

Section 2.03. BSEC, BB and IDRA shall carry out the Program in accordance with plans, specifications, schedules and methods acceptable to ADB.

Section 2.04. (a) BSEC, BB and IDRA shall maintain, or cause to be maintained, records and documents adequate to identify the Eligible Items financed out of the proceeds of the Loan and to indicate the progress of the Program.

(b) The Borrower shall enable ADB's representatives to inspect any relevant records and documents referred to in paragraph (a) of this Section.

Section 2.05. (a) ADB, BSEC, BB and IDRA shall cooperate fully to ensure that the purposes of the Loan will be accomplished.

(b) BSEC, BB and IDRA shall promptly inform ADB of any condition which interferes with, or threatens to interfere with, the progress of the Program, the performance of its obligations under this Program Agreement, or the accomplishment of the purposes of the Loan.

(c) ADB, BSEC, BB and IDRA shall from time to time, at the request of either party, exchange views through their representatives with regard to any matters relating to the Program and the Loan.

Section 2.06. BSEC, BB and IDRA shall furnish to ADB all such reports and information as ADB shall reasonably request concerning (i) the Program; and (ii) any other matters relating to the purposes of the Loan, and shall indicate, among other things, a plan for the implementation of the Second Tranche Policy Actions, progress made and problems encountered during the period under review, steps taken or proposed to be taken to remedy these problems, and proposed Program activities and expected progress during the following period.

Section 2.07. (a) BSEC, BB and IDRA shall, promptly as required, take all action within its powers to maintain their corporate existence, to carry on their

operations, and to acquire, maintain and renew all rights and powers which are necessary in the carrying out of the Program or in the conduct of their operations.

(b) BSEC, BB and IDRA shall at all times conduct their operations in accordance with sound applicable technical, financial, business, development and operational practices, and under the supervision of competent and experienced management and personnel.

Section 2.08. BSEC, BB and IDRA shall promptly notify ADB of any proposal to amend, suspend or repeal any provision of their constitutional documents, which, if implemented, could adversely affect the carrying out of the Program. BSEC, BB and IDRA shall afford ADB an adequate opportunity to comment on such proposal prior to taking any affirmative action thereon.

### **ARTICLE III**

#### **Effective Date; Termination**

Section 3.01. This Program Agreement shall come into force and effect on the date on which the Loan Agreements come into force and effect. ADB shall promptly notify BSEC, BB and IDRA of such date.

Section 3.02. This Program Agreement and all obligations of the parties hereunder shall terminate on the date on which the Loan Agreements shall terminate in accordance with its terms.

Section 3.03. All the provisions of this Program Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the Loan Agreement.

### **ARTICLE IV**

#### **Miscellaneous**

Section 4.01. Any notice or request required or permitted to be given or made under this Program Agreement and any agreement between the parties contemplated by this Program Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand, mail or facsimile to the party to which it is required or permitted to be given or made at its address hereinafter specified, or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For ADB

Asian Development Bank  
6 ADB Avenue  
Mandaluyong City  
1550 Metro Manila  
Philippines

Facsimile Numbers:

+63 2 636-2444

+63 2 636-2337

For BSEC

Bangladesh Securities and Exchange Commission  
Jiban Bima Tower (14-16 &20 floors)  
10 Dilkusha C/A  
Dhaka-1000, Bangladesh

Facsimile Number:

+880 2 956-3721

For BB

Bangladesh Bank  
Head Office, Motijheel  
Dhaka – 1000, Bangladesh

Facsimile Number:

+880 2 712-0364

For IDRA

Insurance Development and Regulatory Authority  
Sadharan Bima Corporation Tower (8<sup>th</sup> Floor)  
37/A Dilkusha C/A  
Dhaka – 1000, Bangladesh

Facsimile Number:

+880 2 956-5056.

Section 4.02. (a) Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Program Agreement by or on behalf of BSEC, BB and IDRA may be taken or executed by Chairman in case of BSEC, Governor in case of BB, and Chairman in case of IDRA or by such other person or persons as he or she shall so designate in writing notified to ADB.

(b) BSEC, BB and IDRA shall furnish to ADB sufficient evidence of the authority of each person who will act under subsection (a) hereinabove, together with the authenticated specimen signature of each such person.

Section 4.03. No delay in exercising, or omission to exercise, any right, power or remedy accruing to either party under this Program Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default; nor shall the action of such party in respect of any default, or any acquiescence in any default, affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Program Agreement to be signed in their respective names as of the day and year first above written, and to be delivered at the principal office of ADB.

ASIAN DEVELOPMENT BANK

By  \_\_\_\_\_  
KAZUHIKO HIGUCHI  
Country Director  
Bangladesh Resident Mission


BANGLADESH SECURITIES AND EXCHANGE COMMISSION

By  \_\_\_\_\_  
MD. SAIFUR RAHMAN  
Executive Director

BANGLADESH BANK

By  \_\_\_\_\_  
MD. ABUL QUASEM  
Deputy Governor

INSURANCE DEVELOPMENT AND REGULATORY AUTHORITY

By  \_\_\_\_\_  
MD. QUDDUS KHAN  
Member