

Employee Stock Option Program (ESOP)/Management Stock Option Program (MSOP)

According to the pronouncements of General Meeting of Shareholders (RUPS) – Resolution of the Extraordinary General Meeting of Shareholders (RUPSLB) on May 29, 2003 that also noted in Notarial Deed of Sutjipto, S.H., number 142 date of May 29, 2003, the shareholders of Bank Mandiri agreed to the employees and directors share ownership plan through Employee Stock Allocation (ESA) and Management Stock Option Plan (MSOP). ESA plan included Share Plan Bonus and Share Purchase Discount. Meanwhile, MSOP plan was addressed to the directors and employees in the certain grade and criteria. The expense and discount based on ESA plan became the responsibilities of Bank Mandiri whereas its burden came from the established stockpile. The management and practice of ESA and MSOP would be handled by the Directors, while the supervision would be handled by Board on Commissioners.

On July 14, 2003, the Government of Republic of Indonesia let go of 4,000,000,000 share sheets, which reflected on 20.00% of Bank Mandiri ownership through Initial Public Offering (IPO). As the following of Republic of Indonesia Government Regulation number 27/2003 date of June 2, 2003 that agreed to divest up to 30.00% of government ownership of Bank Mandiri and based on the pronouncements of Privatization of State-Owned Enterprise Team number Kep-05/TKP/01/2004 date of January 19, 2004, the government of Indonesia continued to divests 10.00% of Bank Mandiri ownership or equals to 2,000,000,000 share sheets of regular series B on March 11, 2004 through private placement.

During the IPO on July 14, 2003, Bank Mandiri gave for about 378,583,785 share purchase options to the management through MSOP plan Stage 1 with the execution price Rp742.50 (full value) per sheet and the nominal value Rp500 (full value) per sheet. The share giving options was recorded on Equity Post – Share Options with share fair value Rp69.71 (full value) per sheet. The executed options in MSOP plan Stage 1 were 375,365,957 share sheets which resulted to addition of issued capital and paid-up capital as much as Rp187,683, and the addition of share premium as much as Rp117,193. MSOP Stage 1 could be executed until 13 July, 2008 as it was announced on Indonesian Stock Exchange Announcement (previously Jakarta Stock Exchange) number Peng-262/BEJ.PJS/P/07-2004 in July 14, 2004.

Furthermore, in the General Meeting of Shareholders (RUPS) on May 16, 2005 the issued MSOP Stage 2 of 312,000 share options had been approved. The executed price per share sheet was Rp1,190.50 (full value) on the first year and Rp2,493 (full value) on the following year. The nominal amount of per share sheet was Rp500 (full value). The share giving options was recorded on Equity Post – with share options fair value Rp642.28 (full value) per sheet. The executed options from MSOP Stage 2 were 311.713.697 share sheets which resulted to addition of issued capital and paid-up capital as much as Rp155.857 and the addition of share premium as much as Rp425.233. Period 5 (the last period) stated that the conversion right in MSOP stage 2 was conducted from May 4, 2010 for 30 days of exchange, as it was announced in announcement.

Indonesia Stock Exchange (previously Jakarta Stock Exchange) number Peng-97/BEJ-PSJ/P/02-2007 date of February 2, 2007. Share options which were not executed as much as 286,303 share sheets or equals to Rp184 that passed through execution period recorded as addition share premium.

The annual General Meeting of Shareholder (RUPS) on May 22, 2006 agreed upon giving MSOP Stage 3 with 309,416,215 numbers of share options. General Meeting of Shareholder (RUPS) also gave authority to Board of Commissioners to set execution policies and surveillance on MSOP program Stage 3 and to report it in the following General Meeting of Shareholders (RUPS).

The execution price per share sheet in MSOP Stage 3 was Rp1,495.08 (full value) with nominal value Rp500 (full value) per share sheet. The giving of this share options was recorded in Equity Post – Share options with fair value Rp593.89 (full value) per sheet. The executed options from MSOP Stage 3 were 309.415.088 share sheets which resulted in additional issued capital and paid up capital as much as Rp154,707 and also the additional share premium as much as Rp491,651. The execution period of MSOP option Stage 3 ended on February 2011, before Bank Mandiri HMETD period started on February 14, 2011 to February 21, 2011. Share options MSOP Stage 3 which were not executed as much as 1,127 share sheets or equal to Rp4 that passed through execution period that recorded as addition share premium.

On December 27, 2017, Bank had done its first registration to The Financial Services Authority (OJK) (previously Regulation and Supervision of Capital Market and Financial Institution (Bapepam and LK)) in the occasion of Limited Public Offer (PUT) for shareholders of Bank in Preemptive rights (HMETD) as much as 2,336,838,591 share sheets series B. This Preemptive Rights was approved by Board

of Commissioners through letter on April 29, 2010. Bank delivered notice about Preemptive Rights to Bank Indonesia through letter date of September 17, 2010. This Preemptive Right had been made into regulation by Government Regulation of Republic of Indonesia number 75 year of 2010 date of November 20, 2010.

Preemptive Right had been effectively approved by Bapepam and LK through letter number S-807/BL/2011 date of January 27, 2011, whereas Preemptive Right became effective after it had been accepted by shareholders in Resolution of Extraordinary General Meeting of Shareholders (RUPSLB) held on January 28, 2011.

About 2,336,838,591 HMETD share sheets were marketed on February 14, 2011- February 21, 2011 with the price implementation to be Rp5,000 (full value) per sheet, which resulted to additional issued capital and paid-up capital as much as Rp1,168,420

According to RUPB-LS pronouncements on 21 August, 2017, the shareholders of Bank Mandiri agreed upon stock split of Bank Mandiri from Rp500 (full value) per share to Rp250 (full value) per share thus the issued capital became 46,666,666,666 share sheets consisted of 1 sheet of dichromatic series A and 46,666,666,665 shares of series B. There was no change on authorized capital, issued capital and paid-up capital caused by the stock split. The splitting of shares nominal value was effective on September 13, 2017.

In 2017, Bank Mandiri did not have Employee Stock Ownership Program (ESOP) and Management Stock Ownership Program (MSOP), those programs have ended in 2010.

Realization of the Use of Profits from Public Offering

Public Offering

On June 15, 2017, Bank Mandiri launched Sustainable Bonds I Bank Mandiri Stage II year of 2017 (Sustainable Bonds I Stage II) with the nominal value as much as Rp6,000,000,000,000 which consisted of four series.

Sustainable Bonds I Stage II Series A, Series B, and Series C were offered with value 100% (one hundred percent) from the sum of primary bonds. The interest of obligation would be paid once in three months, and the first interest payout was distributed on September 15, 2017 while the last interest and also the due date of bond will fall on June 15, 2022 for Series A, June 15, 2024 for Series B, and June 15, 2027 for Series C, which is also the repayment date for each series of bonds. Bond series D was offered without interest with the tender value as much as 79.3146% (seventy nine point three one four six percent) from the primary sum of bonds, with the due date falls on June 15, 2020. The bonds payout will be distributed fully on the due date. Trustee from the launching of Sustainable Bonds I Stage II is PT Bank Tabungan Negara (Company) Tbk.

Realization of the Use of Profits from Public Offering

Table of Actual Realization of Sustainable Bonds I Bank Mandiri Stage II Year 2017

Types Penawaran Umum	Effective Date	Sum of public offering (in million)	Actual Value of Public Offering				Remaining Funds After Public Offering
			Cost of Public Offering	Net Result	Fund Plan According to Prospectus	Actual Fund Use According to Prospectus	
Sustainable Bonds I Bank Mandiri Stage II Year of 2017	15 June 2017	5,793,000	6,000	5,787,000	5,787,000	5,787,000	0

All of the concerned public offering proceeds, after being deducted with emission charges, had been used in accordance with the fund use plan disclosed in the Prospectus of Superior Bonds I of Bank Mandiri Phase II Year 2017 and had been reported to The Financial Services Authority (OJK) through Letter no. FTS/992/2017 dated July 12, 2017 regarding Submission of Report On Realization of The Use of Public Offering Proceeds of Superior Bonds I of Bank Mandiri Phase II Year 2017, PT Bank Mandiri (Persero) Tbk. As for the realization of the use of the proceeds of the previous public offering has been completed and Bank Mandiri is no longer obliged to report.