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## MPLOYEE STOCK OPTION PROGRAM AND/OR MANAGEMENT STOCK OPTION PROGRAM

Based on the Resolution of Extraordinary GMS dated May 29, 2003 as stated in the notarial deed of Sutjipto, S.H., No. 142 dated 29 May 2003, Bank Mandiri's shareholders also approved the share ownership plan by employees and the Board of Directors through the Employee Stock Allocation (ESA) Program and the Provision of Share Purchase Options to the Management Stock Option Plan (MSOP). The ESA program consists of a Share Plan Bonus program and a Share Purchase at Discount program. Meanwhile, the MSOP program is intended for the Board of Directors and leadership employees at certain levels or criteria. The fees and discounts for the ESA program are borne by Bank Mandiri, whose expenses come from the reserves that have been formed. The management and implementation of the ESA and MSOP programs are carried out by the Board of Directors, while the supervision is carried out by the Board of Commissioners.

On 14 July 2003, the Government of the Republic of Indonesia divested 4,000,000,000 of its shares, representing its 20.00% ownership in Bank Mandiri, through an Initial Public Offering (IPO). As a follow-up to the Government Regulation of the Republic of Indonesia No. 27/2003 dated 2 June 2003, which approved the divestment of up to 30.00% of the Government's ownership in Bank Mandiri and based on the decision of the Privatization Policy Team of State-Owned Enterprises No. Kep-05/TKP/01/2004 dated 19 January 2004, the Government

of the Republic of Indonesia further divested 10.00% ownership in Bank Mandiri or as much as 2,000,000,000 Series B Ordinary shares on 11 March 2004 through private placement.

At the time of the IPO on 14 July 2003, Bank Mandiri provided share purchase options to the management through the MSOP Phase 1 (one) program of 378,583,785 options with an execution price of Rp742.50 (full value) per share and a nominal value of Rp500 (full value) per share. The granting of this share option is recorded in the Equity - Stock Options post with a fair value of stock options of Rp69.71 (full value) per share. The options executed from MSOP Phase 1 (one) amounted to 375,365,957 shares, resulting in an increase in Issued and Paid-up Capital of Rp187,683, an additional Agio Share of Rp117,193. MSOP Phase 1 (one) can be executed until 13 July 2008 as announced in the Announcement of the Indonesia Stock Exchange (formerly the Jakarta Stock Exchange) No. Peng-262/BEJ. PJS/P/07-2004 dated 14 July 2004.

Furthermore, at the Annual GMS on 16 May 2005, the granting of MSOP Phase 2 (two) of 312,000,000 stock options was approved. The execution price per share is Rp1,190.50 (full value) for the first year and Rp2,493 (full value) for the second year and the following year. The nominal value per share is Rp500 (full value). The granting of these stock options is recorded on equity posts - stock options with a fair value of stock options of

Rp642.28 (full value) per share. The options executed from MSOP Phase 2 (two) amounted to 311,713,697 shares, resulting in an increase in issued and paid-up capital of Rp155,857 and an additional share of Rp425,233. Period 5 (last period) of the implementation of MSOP option conversion rights Phase 2 (two) is dated 4 May 2010 for 30 exchange days as announced at the Announcement of the Indonesia Stock Exchange (formerly the Jakarta Stock Exchange) No. Peng-97/BEJPSJ/P/02-2007 dated 2 February 2007. The non-executed MSOP Phase 2 (two) share options amounted to 286,303 shares each or Rp184 which passed the implementation period recorded as additional share agio.

The Annual GMS on 22 May 2006 approved the granting of MSOP Phase 3 (three) of 309,416,215 stock options. The GMS also authorizes the Board of Commissioners to determine the policy for the implementation and supervision of the MSOP Phase 3 (three) program and report it at the upcoming GMS. The option execution price per share of MSOP Phase 3 (three) is Rp1,495.08 (full value) with a nominal value of Rp500 (full value) per share. The granting of these stock options is recorded in the post Equity - Stock Options with a fair value of stock options of Rp593.89 (full value) per share. The options executed from MSOP Phase 3 (three) amounted to 309,415,088 shares, resulting in an increase in issued and paid-up capital of Rp154,707 and an additional share agio of Rp491,651. The execution period of MSOP

Option Phase 3 (three) ended in February 2011, before the start of Bank Mandiri pre-emptive rights trading period from 14 February 2011 to 21 February 2011. The non-executed MSOP Phase 3 (three) stock options amounted to 1,127 shares each or Rp4 which passed the implementation period recorded as additional share agio.

On 27 December 2010, the Bank has made the first registration

with the OJK (formerly the Capital Market and Financial Institutions Supervisory Agency (Bapepam and LK) in the context of a Limited Public Offering (Rights Issue) to the Bank's shareholders in Issuing Pre-emptive Rights (HMETD) of 2,336,838,591 series B shares. The Bank has submitted a notification regarding Rights Issue to Bank Indonesia through a letter dated 17 September 2010. This Rights Issue has also been promulgated through

the Government Regulation of the Republic of Indonesia No. 75 of 2010 dated 20 November, 2010. The Rights Issue has received effective approval from Bapepam and LK through letter No. S-807/BL/2011 dated 27 January 2011, where the Rights Issue becomes effective after obtaining approval from shareholders in the Extraordinary General Meeting of Shareholders held on 28 January 2011.

## **R** REALIZATION OF THE USE OF PUBLIC OFFERING PROCEEDS

### Realization of the Use of Proceeds from the Public Offering

On 14 July 2003, Bank Mandiri conducted an IPO of 4,000,000,000 Series B Ordinary Shares, with a nominal value of Rp500 (full value) per share sold at a price of Rp675 (full value) per share. The public offering was a divestment of 20.00% of Bank Mandiri's shares owned by the Government.

On 14 July 2003, a total of 19,800,000,000 shares of Bank Mandiri Series B Ordinary Shares were listed on the Jakarta Stock Exchange and Surabaya Stock Exchange based on approval letter from the Jakarta Stock Exchange No. S-1187/BEJ.PSJ/07-2003 dated 8 July 2003 and Surabaya Stock Exchange No. JKT-028/LIST/BES/VII/2003 dated 10 July 2003.

In addition to the public offering of shares, Bank Mandiri also conducts

public offerings for debt securities or corporate bonds. The last series of bonds issued by Bank Mandiri is Bank Mandiri Shelf Registration Bond II Phase I Year 2020 which has been listed on the Indonesia Stock Exchange on 13 May 2020.

The public offering of both stock and bond securities has been completed and all proceeds from the public offering have been used and reported in accordance with applicable regulations.