

Optiver 

Annual Review 2021
We improve the market





Annual Review 2021

Optiver Holding B.V.

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We are Optiver.

Optiver is a leading proprietary trading firm powered by technological innovation. For over 35 years, we have created long-term value by improving financial markets around the world, making them more transparent, stable and efficient for all participants. With our focus on technology, risk management and research, we actively trade on 50+ major exchanges, where we're trusted to always provide accurate buy and sell pricing no matter the market conditions. To be not only active, but also precise, across such a volume of markets and products is a hugely complex challenge – and solving it is exactly what we thrive on.

By the end of 2021, we welcomed a total of 190 additional FTEs, totaling 1,390 FTEs (2020: 1200 total FTEs) to join us in our mission to improve markets. Together, we collaborated both from home and in our offices located across Amsterdam, Austin, Chicago, Hong Kong, London, Shanghai, Singapore, Sydney and Taipei.



Optiver's Amsterdam office plaza, where employees come together to enjoy lunch.



Management Board and Executive Committee Report.



Results at a Glance.

Optiver reported a net profit attributable to equity holders of €958 million in 2021, compared to €1,414 million in 2020. Our 2021 result from operating activities was €1.2 billion versus €1.8 billion in 2020. Net trading income in 2021 amounted to €2.3 billion, 28% lower than in 2020 (2020: €3.2 billion). Optiver exhibited a strong financial position at the end of 2021, with total equity of €2.8 billion compared to €2.5 billion at end-2020. We maintain a conservative capital structure, to meet business and regulatory requirements. Total assets were €28.2 billion as at 31 December 2021, an increase of 12% compared to 2020's €25.1 billion.

2021 in Review.

2021 began with a sense of uncertainty, with the world unable to predict how the COVID-19 pandemic would continue to evolve. Vaccinations and boosters aimed to slow infection rates and return the world to a sense of normalcy. However, rapidly emerging virus variants caused global setbacks and repeated cycles of market volatility. Knock-on effects from the prolonged pandemic - including supply chain disruptions and the highest inflation rates in decades - further impacted capital markets. We are pleased to say that despite all of these factors, Optiver spent 2021 resolute in our mission to keep markets healthy, efficient and stable. Our commitment to providing liquidity not only benefited all market participants, but led to the company's solid growth and continued long-term value creation.

The flexibility and dedication displayed by our teams around the world made 2021 a successful year for the firm. We earned profits from our core business of making markets across a vast range of products, using our own capital and at our own risk. Throughout the year, we focused strongly on the three components of our core activity: pricing, trade execution and risk management.





Pricing

Although 2021 didn't see the large-scale turbulence 2020 experienced, the markets struggled to find a stable equilibrium with various pockets of volatility across different asset classes and regions throughout the year. For this reason, our market making contribution was especially appreciated.

With a focus on the underlying theoretical soundness of our pricing models, we further tightened the bid-ask spread across tens of thousands of interconnected financial products. With our firm belief that fair and open pricing results in greater market accessibility for all investors of all sizes, we remained a primary advocate for competitive markets.

Trade Execution

Technology remained a key driver behind our trade execution, which proved imperative in 2021. Throughout the year, we leveraged many engineering initiatives to continuously solve a variety of trading execution challenges: operating with scarce bandwidth, responding to market events with nanosecond speed, automatically pricing complex sets of financial instruments with low error tolerance, and analysing huge volumes of data. Our systems were further optimised to add to the stability of the market - not detract from it. Thanks to the close collaboration between our engineers, researchers and trading teams, our systems operated at peak efficiency in the face of 2021's varying market conditions.

Risk Management

Managing risk remained an essential pillar of our core business in 2021. We view risk broadly and include market, credit, compliance and all types of operational risk ranging from automated trading risk to information security risk and strategic risks. With our dedication to continuous improvement, we enhanced the manner in which our systems identify, evaluate and mitigate potential risk. Over the course of 2021, we continued developing our risk models and their associated tooling to ensure we have high confidence in our ability to continue trading in the most challenging market circumstances. Our risk teams are in constant dialogue with the rest of the organisation to ensure that our firm's appetite for risk is well understood and embedded throughout the business. We regard automated trading risk as one of the most relevant risks to our business, so mitigating this remained an important focus.

With our hybrid work-from-home model present throughout our global locations, we have continued to review, iterate and strengthen our operational risk guidelines on working outside the office. Our control framework also includes risk education for all employees, equipping them to take ownership of our shared responsibility to keep the firm safe. Everyone at Optiver is taught to view risk as part of their day-to-day work and long-term commitment to the company.

With each passing year, the importance of information security continues to grow. In 2021, we took a more global approach to cybersecurity, collaborating across business units to ensure our information remained protected against potential exposures and unauthorised access to our systems and facilities. Our responsibilities towards data protection and usage were treated with the highest priority, and stayed an integral part of our control framework.





The Optiver Foundation.

This year, the independent Optiver Foundation (not controlled by Optiver) was launched in honour of the firm's 35th anniversary. Since establishing this non-profit organisation in March 2021, the Foundation team has been busy laying the groundwork needed to make a positive, long-term impact on some of the world's most important causes.

With Optiver's strong and long-established connection to Australia, the Optiver Foundation embarked on a eucalyptus reforestation project in the country's New South Wales region. In collaboration with a tech-driven reforestation organisation, the Optiver Foundation re-seeded its dedicated 95 hectares. In August, Australia's Aboriginal community held a "starting off ceremony" on the project land to celebrate the planting. This reforestation marked an important next chapter in the Moolagundi region, which is in urgent need of rehabilitation. The re-introduced eucalyptus trees are projected to capture 21,000t CO₂; reforest at-risk tree species; aid animal herds with affected migration routes; and help endangered animals including the Koala re-populate.

In addition to their environmental action pillar, the Optiver Foundation is in the process of finalising its next long-term partnerships in the area of women empowerment and education.



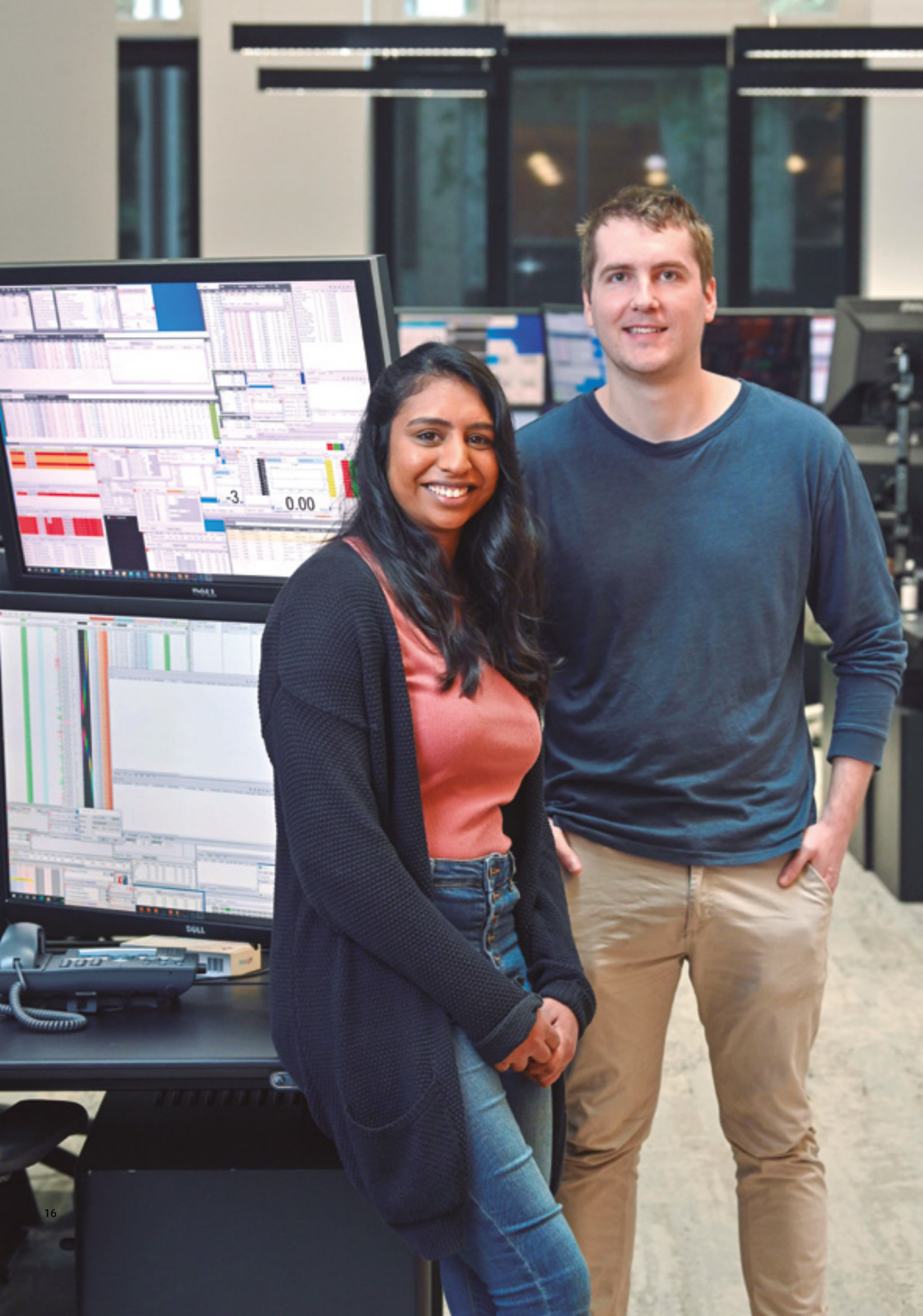
Our People.

With the COVID-19 pandemic continuing to evolve, our highest priority is protecting the health and safety of our global employees. Around the world, our teams responded with agility to changing government advice, and remained flexible no matter the precautions and changes required of us. This meant embracing the hybrid work-from-home model, in which we remained diligent across all security risks and ensuring seamless, remote technology capabilities. 24/7 online support was offered throughout the year, with increased internal communication and virtual events to keep teams connected. With the pandemic's prolonged influence, we also rolled-out new physical and mental health initiatives, to ensure the total wellbeing of team members and their families.

Despite reduced travel, 2021 was a year of global collaboration between our nine offices. We believe in teamwork, which is why collaboration has always been one of the core values our firm prizes most. We believe all aspects of our business stand to benefit from combining global efforts and expertise when developing new processes and solutions. This was felt during the many global leadership meetings, Executive Committee newsletters, inter-office project meetings, webinars and virtual summits that took place throughout the year.

Our teams also utilised their increased virtual presence to optimise our recruitment processes. With on-campus events a less frequent possibility, our Marketing and Communications teams developed data-driven, digital recruitment marketing strategies to better attract, engage with and convert potential recruits on an even larger scale. Our immersive student games and competitions achieved record levels of participation, which resulted in a pipeline of quality STEM¹ candidates. From there, our talent acquisition specialists conducted a staggering volume of virtual tests and interviews with industry talent for internship, graduate and experienced roles.





Our Culture.

Optiver's culture is a key tenet to our success, and proactively nurturing it forms an important part of our business strategy. Although culture is dynamic and continuously evolving, our core values unwaveringly shape who we are and how our people are expected to behave. Across our nine global offices, and on every exchange we trade, Optiver is committed to doing the right thing. This means fostering a culture in which our decisions and actions are guided by integrity. Being honourable can be seen in our dedication to improving global financial markets. For over 35 years, we have been trusted to uphold our market making responsibilities and put the health of the market first, even in times of extreme volatility.

Taking ownership has also been a long-held pillar of Optiver's culture.

Our entrepreneurial spirit sets us apart, and breeds the innovation needed to continuously improve our operations. Entrepreneurship doesn't, however, mean that projects or initiatives are expected to be accomplished individually. As a firm, we do our best work together, and global collaboration is credited as the driver of our success. We encourage everyone to contribute their ideas and challenge our ways of working. Diverse perspectives are essential to keeping our thinking fresh. We know that valuable ideas can come from anywhere – regardless of background, age, gender or walk of life. No one's voice is more important than anyone else's, which gives everyone the freedom to share their opinions. This approach empowers our people to speak up and know that any contribution will be valued on its own merit.



Diversity, Equity & Inclusion.

Optiver believes that diversity of people, experience, background and thought is key to unlocking the innovation potential, critical analysis and academic discourse that powers our excellence in trading, technology and research.

We embrace diversity and believe in creating an environment in which people feel safe. We see that a company-wide sense of inclusion not only leads to higher engagement and productivity levels, but also helps attract and retain diverse talent.

While we are proud that more than 45 nationalities are included in our workforce, we realise that more must be done to ensure better representation of minority groups within Optiver. From better spotlighting our diverse leaders to hosting women-oriented panels, we have taken several steps over the past year to strengthen our ability to attract diverse talent and ensure that all employees are given the support needed to thrive in their careers at Optiver.

Continuous learning has been fundamental to our growth both as people and as a firm. Through knowledge-sharing sessions and essential trainings, we enabled Optiverians of all experience levels to expand their horizons and deepen their understandings of diversity, equity and inclusion (DEI). This includes equipping leaders with the skills needed to actively foster a culture of conscious inclusion. We also hosted cross-cultural

awareness trainings for employees to ensure all team members remain conscious of how their behaviour may be experienced by their colleagues.

To help facilitate our ambitions, Optiver was pleased to introduce our DEI groups in various offices this year. Their overarching mission is to engage employees and potential candidates, create positive influence and drive meaningful change. The groups consist of representatives from various departments spanning many backgrounds, ages, ethnicities and gender identities. By embracing and representing many walks of life, the DEI groups seek to better understand the unique needs of our employees and further embed diversity, equity, and inclusion into our core values.

Optiver's DEI groups help review our processes, policies, projects and trainings, in order to deeply embed diversity throughout the firm. This extends to our talent attraction and recruitment strategies, to ensure that our recruitment marketing and candidate assessment processes are unbiased. It also encompasses internal education, to help employees understand and uphold our expected company culture, values and workplace conduct, as well as how to make use of our multiple open reporting lines in the event of misbehaviour.



Providing women at Optiver with additional support was another key focus in 2021, and will continue to be in the years to come. Several of our offices established women's mentorship programmes, women's networking events, leadership trainings and other key equity initiatives.

Through our ongoing sponsorship of Girls Math Olympiad teams (a partnership now in its third year), we continued encouraging female youth to choose maths and science as their fields of study. This year excitedly marked the inaugural "Optiver Outstanding Maths Award," in the Netherlands, in which the highest performing female Maths Olympiad junior student was awarded a scholarship. In 2021, we also actively engaged with women's groups at various universities to educate them about our industry, and participated in several industry events to connect with women who work in technology and finance.



Our Industry.

Principal Strategic Investments

We have proactively leaned into our growth area of building our external network in order to access more market insights and strategies. With the success and growth of Optiver's activities in this domain, we took our approach a step further by establishing a dedicated Principal Strategic Investments Team (PSI).

Drawing on deep market structure experience, PSI is selectively investing capital as well as Optiver's most precious resource – our people – into ideas spanning the full spectrum of FinTech, IT Infrastructure and Digital Assets. We are passionate about discovering ventures that share our vision to create more transparent and efficient markets that serve all participants. Since branching into strategic investments this year, Optiver has already partnered with a commission-free investment app, pan-European exchange, European mobile brokerage, Crypto brokerage, Brazilian broker-dealer amongst others.

As an investor, we offer our experience honed over 35+ years of trading and deploying tech at scale in the world's most competitive markets. We provide early stage start-ups and scale-ups with our global purview and international partnership capabilities. Furthermore, our knowledge base extends far beyond our internal teams. We also draw from the expertise of our network, which encompasses the leaders of today's financial markets and infrastructure providers. Optiver's ultimate goal is to help entrepreneurs shape financial markets of the future while learning and progressing from our partnership network and investments.



Sharing our Insights

As one of the oldest market making institutions, Optiver has amassed valuable industry knowledge and expertise that we proactively share with key external stakeholders, target audiences and the broader industry. In addition to providing our insights directly to exchanges, regulators and industry groups, Optiver regularly engaged with the public through stimulating thought leadership pieces. No matter the forum, we supported and encouraged open discourse and debate on all financial market topics, as they play an essential role in driving positive change throughout the industry.

One of our most important points of discussion concerned fair and competitive markets in US equity options. We strongly advocated to remove barriers to competition, and correct the market making playing field to prevent preference, imbalance and potential conflict of interest. Our commentary included solutions to current anti-competitive restrictions, and outlined a path forward to achieving maximum price improvements for the US equity options market. Looking at the market





through a holistic lens, we proposed a more symmetrical fee system that would lead to tighter spreads, greater liquidity for all investors and ultimately increase competition – the key to maintaining healthy markets. Throughout the year, across all focus areas, our continuous, in-depth engagement aimed to optimise market structure for the benefit of all participants.

Optiver's insights were also shared through our industry association involvement and academic partnerships. By guest lecturing at universities and by partnering with leading universities to create in-depth curriculum, we are working to develop the next generation of tech and trading leaders.

Regulation

2021 saw new EU prudential rules for investment firms – the Investment Firm Directive and Regulation, or IFD/IFR – enter into force. Our prudential regulation requirements continue to demand a great deal of management attention and the EU rules had a profound, group-wide impact. During 2021, Optiver prepared for and met these new requirements that took effect from mid-year. Optiver remains closely involved in discussions with EU policy makers, regulators and industry association bodies on prudential regulatory topics. During 2022, Optiver will continue to develop its business strategy, taking the prudential requirements we operate in into account.

The ongoing COVID-19 pandemic has continued to influence the regulatory agenda, with regulators in many countries reviewing some of the periods of significant market turbulence in 2020 to assess whether changes might be needed to their rulebooks for financial markets. Likewise, the pandemic – and recurrent waves of infection – have

resulted not only in uneven paths of economic recovery across different global markets, but also in more focus by policy-makers on taking new measures to increase economic and regulatory autonomy – including with respect to financial markets. It will remain to be seen to what extent the world's global financial centres might assume divergent paths in this respect.

In Europe, 2022 will be marked by a busy regulatory agenda as the EU embarks on a widespread revision of its financial services rulebook across market structure, investor protection, trade settlement and post-trading, as well as bank capital requirements and anti-money laundering rules. Optiver expects to be closely involved in these deliberations as policymakers look to reshape and future-proof European financial markets. In parallel UK authorities will look to review its post-Brexit rulebook for financial services, leading to potential competitive flashpoints with the EU as the relationship between both settles into a new rhythm. This year will also see Environmental, Social, and Governance (ESG) rules for financial market participants assume even greater importance as firms prepare their strategies to meet not only their regulatory requirements, but also their ambitions. To help us achieve our ESG goals, we have assembled a Global Steering Committee that will formulate our global ESG principles and strategy, ensuring that we can have the biggest impact on the world while materially affecting Optiver and its people.

Digital Assets

For more than 35 years, Optiver has been committed to improving global financial markets through our core activity of making markets in listed derivatives and equities. While the crypto market is still in its early stages, we expect rising demand from institutional and retail investors to spur rapid growth.

Optiver recognised the opportunity to bring liquidity to this space, which will help lower spreads and make the market more efficient and stable. One way we achieved this was by investing in Paradigm – a leading RFQ platform for crypto options. Through our growing digital asset activities, we aim to contribute to a robust and liquid crypto market that encourages participation from institutional investors who seek to trade the volatility of the crypto market itself.

We look forward to watching and participating in this rapidly emerging space. We plan to continue facilitating price discovery and deepening liquidity in the emerging digital assets volatility space, both of which closely align with our commitment to competitive and transparent markets.





Our Global Reach.

Optiver's continued success is dependent on our ability to constantly scale – both in our market activities and our physical presence in the world's financial epicentres. 2021 proved a record year for our global expansion. Our headcount grew by 190 FTEs, 5% more than our ambitious target set out to achieve at the start of the year. We also enjoyed the opening of two new strategic locations in Singapore and Austin, with a number of office expansions currently underway.

New London Location

Since 2019, London has served as the home of Optiver's FX trading business, our UK-focused Institutional Trading Team and rapidly growing commodities trading arm of the business. This year, our London location solidified us as a key player in the global FX market – a feat for the first non-bank liquidity provider in the FX options space. With our strategic position in England's capital city bridging European, Asian and American time zones, Optiver London has embraced a truly global, tactical approach.

With headcount more than doubling over the last year, our London team has quickly outgrown our current office in Heron Tower. For this reason, we have secured a sizeable new space at Old Bailey, in the heart of central London.

Singapore Office Opening

This year marked the opening of Optiver's Singapore office, which established the Group's fifth in Asia Pacific. With our local focus on derivatives trading in commodities and equity products - on both Singaporean exchanges and across other markets - this new entity underscores the growing importance of Asian financial markets and the key role Singapore plays in Optiver's business ambitions. We consider Singapore to be a strategic location from which to further strengthen access to Asia's financial markets, attract local talent and operate in close proximity to regional business partners.



A view of Optiver's current home in the City of London's Heron Tower.

Austin Office Opening

In 2021, we also announced the opening of our newest location in Austin, Texas. In recent years, Austin has emerged as one of the leading global tech hubs, which made the city a natural fit for our ambitious engineering goals. Establishing a local presence provided enormous opportunity for us to reach the top industry talent, whose skills are vital for a technology-driven firm like ours. With Austin now joining our Chicago location, Optiver is well positioned to accelerate our US activity over the coming years – a market poised to become one of our largest growth areas.

Based in 'The Domain' neighbourhood of Austin, the new office will become Optiver's innovation nucleus, with a strong focus on quantitative research, software and hardware engineering initiatives. With technological innovation an integral part of Optiver's core business, heavy investment is being made into machine learning, research infrastructure and big data computing.

With technologists increasingly joining our Austin office, we are confident in Optiver's ability to continue driving innovation across global financial markets.



With tech innovation an integral part of Optiver's core business, Austin proved an ideal backdrop for our lofty ambitions.

Looking Ahead.

In 2022, we will continue to be guided by our mission to improve the market in everything we do. In the face of ongoing geopolitical tensions and climate crises, Optiver will work to add stability to global financial markets. Looking ahead, our focus remains on keeping markets healthy and efficient for the benefit of all participants. To achieve this, we will invest in our people, partner with external ventures, and further improve our pricing, trade execution and risk management. As a global firm with a shared vision, Optiver will spend the year closely collaborating across all nine locations in order to continually optimise our end-to-end operations.

We are grateful to our employees for their flexibility and dedication – especially during another year of unpredictable circumstances. We will continue to support, grow and thank them in every way we can. We look forward to yet another year in which the hard work of our people brings success to Optiver.

Amsterdam, 4 March 2022

The Members of the Executive Committee

Jan Boomaars
Group CEO, CEO Europe, member of MB

Edwin Duijn
Group CFO, member of MB

Tadhg O'Shea
Group CRO, member of MB

Johann Kaemingk
Co-Founder

Wouter Stinis
CEO APAC

Rutger Brinkhuis
CEO US

Optiver 

Supervisory Board Report.



Introduction

Optiver's three business units in Europe, APAC and the US and Optiver Holding BV collectively form Optiver Group, with Optiver Holding as the parent company. Optiver Holding has a 'two-tier' board structure comprising of a Management Board (MB) and a Supervisory Board (SB).

It is our task as SB to monitor the MB and the general course of affairs of Optiver and its businesses. We advise the members of the MB on how to perform their duties, in accordance with the best interests of Optiver, its businesses and all relevant stakeholders.

The role of the MB is to manage Optiver Holding, which means, among other things, that it is responsible for achieving Optiver Holding's goals, the strategy and associated risk profile and the development of the financial results. ESG will continue to be top of mind for the MB and the whole organisation and in 2022 focus will on making it more concrete and an integrated part of Optiver's strategy. The MB is also focused on talent management, leadership development, the health and wellbeing of the employees and a safe working environment for all of them,

Our MB consists of Jan Boomaars (Group CEO), Edwin Duijn (Group CFO) and Tadhg O'Shea (Group CRO). At a local level, the business units in Europe, APAC and the US have their own Local Management Teams headed by a local CEO.

The members of the Executive Committee (ExCo) are the members of the MB and the CEOs of the local business units in APAC, Europe and the US or any other person approved by the SB. The responsibilities of ExCo include the overall management of Optiver Group, including its business strategy, the risk and control functions and safeguarding of the Optiver culture.

Optiver Group performed well in 2021, even though the pandemic continued to impact the organisation and the business of Optiver. As a consequence of the pandemic related restrictions over the regions many of the employees had to work from home for a relatively large part of the year. The organisation navigated through the operational challenges of this hybrid set-up and worked well together. The SB is pleased that Management kept putting the health and safety of the employees first and is encouraged to see the increasing global collaboration. The SB monitored developments for Optiver closely and was kept up to date by the ExCo on a regular basis.

Next to health and safety of employees, the core business and various new initiatives, the SB focused in 2021 on (i) people, including culture and inclusivity, (ii) succession planning and leadership development, and (iii) the remuneration structure. As culture is a crucial element of the success of Optiver, the SB had various conversations with Management on the culture of the company and how to make sure the strong elements of the Optiver culture are safeguarded. The SB encouraged the culture program set-up by Management to make sure the culture evolves with the size and the times and to ensure that nothing is missing.

As indicated last year, the SB feels ESG is a very relevant topic for society and for the company, fully supports the approach of Optiver towards ESG and is very pleased with the launch of the Optiver Foundation, which is a great initiative. More details on the Foundation can be found in the MB and Executive Committee Report.

Profile and Composition

The SB operates as a collegial body; the knowledge, experience and background of its individual members is considered in the context of the SB as a whole. With their varied strengths and types of expertise, SB members act critically and independently of one another, and of the ExCo and MB.

The SB aims to have a strong representation of diversity (including in terms of experience, expertise, age and gender). The selection of SB members strives to achieve this diversity and to create a robust body that can effectively oversee the activities of Optiver and its businesses.

SB members are neither members of the MB nor employees of Optiver. This ensures sufficient distance from daily operations, so that the SB can properly fulfil its role in monitoring the MB and the general affairs of the company and give critical, constructive advice to the MB. The independence requirements as set out in the Dutch corporate governance code have been fulfilled.

Current members of the SB are Hector de Beaufort, Miriam van Dongen, Jelle Elzinga and Harry de Grijs. Jelle Elzinga and Harry de Grijs were reappointed as SB members for a new four-year term at the extraordinary general meeting of shareholders in October 2021. The SB is pleased that Jelle and Harry agreed to continue in their roles as Optiver SB member for another four years.

	H.W.L. de Beaufort	M.R. van Dongen	J.R. Elzinga	H.J.A. de Grijs
Nationality	Dutch	Dutch	Dutch	Dutch
Year of birth	1956	1969	1971	1963
Gender	Male	Female	Male	Male
Initial appointment	2015	2016	2017	2017
Term expires	AGM 2023	AGM 2024	AGM 2025	AGM 2025
Education	Law	Business Economics	Business Administration	Business Economics
Expertise	Corporate Governance, Corporate Law	Corporate Finance, Finance, Audit	Trading, Business development, Financial markets	IT/Digital
SB committees	Review and Remuneration Committee	Audit Committee	Review and Remuneration Committee	Audit Committee



Supervisory Board Meetings

The SB held five formal meetings and three additional meetings with the MB and members of the ExCo in 2021. Next to the five formal meetings where the SB and ExCo are present, the SB held five closed session meetings where only the SB members were present. The percentage of members attending the meetings was again high, at over 95%. In addition to the formal meetings, SB members had regular face-to-face meetings and phone contact with each other and with ExCo and MB members throughout the year.

Due to the continued impact of the COVID-19 pandemic, all meetings had to take place via video conference and the SB was again not able to visit the Optiver offices nor meet Optiver Management or other employees in person. Although the video conferences work very well and the SB could properly fulfil its duties, the SB is looking forward to meeting Management and other Optiver employees in person again, which will hopefully be possible in 2022.

The SB is kept up to date on all relevant developments and issues in the company, not only by means of the formal meetings but also through additional meetings whenever necessary and via the regular contact between the SB Chair and the company CEO. In addition, the Chair of the Audit Committee meets regularly with the external auditor, has regular meetings with the Group CFO and quarterly meetings with the Group Head of Audit. SB member Harry de Grijs has bi-annual update meetings with the CTOs of all business units and with the CEO to discuss technology-related developments and issues. In addition, bi-annual meetings were organised for the SB to meet with the Group CRO to discuss risk-related topics and developments in detail.

The SB was involved in succession planning for the US CEO position and is pleased with the appointment in April 2021 of the new US CEO, Rutger Brinkhuis. Upon nomination of the SB, the Group CEO, Jan Boomaars, was reappointed as MB member by the shareholders for another 4-year term. As part of the continuing exercise of succession planning, the people who need to be retained for the company and have the ability to grow into leadership roles are identified. Onboarding and leadership development programs are prepared for these individuals to set them up for success. The SB encourages ExCo to continue focusing on leadership development.

The Optiver culture was discussed between the SB and ExCo as it is considered a crucial element in the success of the company. Management is focused to make sure the company values are reflected in the behaviour of the employees and to ensure the culture evolves with the growing size of the company and the times. Creating a working environment that feels safe, inclusive and healthy is a high priority for Optiver.

Other topics the SB discussed were the implementation of the new prudential regime that took effect in June 2021, new business initiatives such as the opening of offices in Austin and Singapore, the risk and control framework, market developments and technology.

Risk Committee

As risk is considered a crucial element for Optiver Group, any meetings of the SB where the MB is also present and the relevant risk topics are addressed should also be considered meetings of the Risk Committee of Optiver Holding. For this reason, no separate Risk Committee has been established.

Audit Committee

The Audit Committee helps the SB to perform its duties and prepares its decision-making. The Audit Committee is tasked with supervising (i) all matters relating to financial reporting and controlling; (ii) third line activities concerning the effectiveness of the risk management and control framework for Optiver. The Audit Committee consists of Miriam van Dongen (Chair) and Harry de Grijs.

The Audit Committee had five meetings in 2021, all attended by the external auditor, the CFO, the Group Head of Audit and the Group Head of Finance. Besides the regular items on the agenda, such as the financial reports, key audit matters reported by internal and external audit, and the scope and planning for Group Audit, the Audit Committee also spent time on revised policies of Group Tax and Group Audit, the dividend policy and capital planning process, the cooperation between internal and external audit and the resolution plan and SREP letter. The KPMG Audit Plan, KPMG Audit Report on the 2020 financial statements and management letters were also discussed by the Audit Committee.

Due to the mandatory key audit partner rotation requirements of 7 years, the current lead partner has to rotate-off. KPMG proposed two potential new lead partners. The Audit Committee and the MB performed interviews with both candidates. One of these two candidates was selected lead partner of KPMG for Optiver as per 2022.

Review and Remuneration Committee

The Review and Remuneration Committee advises the SB and prepares its decision-making with regard to the remuneration and performance reviews of all members of the ExCo and MB. The Review and Remuneration Committee helps the MB fulfil its employer responsibilities in relation to the CEOs of the business units of Optiver in APAC, Europe and the US. The Committee consists of Jelle Elzinga (Chair) and Hector de Beaufort.

In 2021, the Review and Remuneration Committee had two formal meetings and held mid-year review meetings and year-end performance meetings with each member of the ExCo and MB. The Review and Remuneration Committee also

discussed succession planning and the annual talent review as prepared by the MB and ExCo.

The SB has always believed in sound and proper governance, which includes succession planning. Succession planning and leadership development remain focus areas for the Review and Remuneration Committee. The Committee was closely involved in the succession process for the US CEO and the reappointment of the Group CEO.

Self-Assessment

As in previous years, the SB evaluated its own performance and the performance of its committees in 2021. Our Corporate Secretary and Group Head of HR facilitated our self-assessment process.

The objective of the self-evaluation is to assess the collective functioning of the SB, and to reflect on individual personal contributions. Early 2021 all SB members completed an online questionnaire covering the process, content and interaction within the SB and with the MB and ExCo. The aggregate result of this formed the basis for individual interviews by the Group Head of HR and Corporate Secretary with each SB member individually. Role, composition, operation, support, chairman, dynamics and priorities were discussed in the interviews, and action points from previous evaluations and a relevant business case were reflected upon. As part of this process, the MB members were also interviewed about their interaction with the SB. The observations and findings as set out in a report prepared by the Group Head of HR and Corporate Secretary was discussed with the SB. Follow-up meetings have taken place with the SB, which resulted in concrete actions; for instance, certain topics are tabled for deep dive sessions for the purpose of education and other topics are reflected in the Annual Agenda for 2022.

The SB is pleased that the MB and ExCo, as well as the SB and SB committees, are functioning properly. The SB is informed of all relevant developments by the MB and ExCo. Dialogue between the boards is open and transparent. All members treat each other respectfully and appreciation of each other's roles and contributions to the company continues to improve.

Education

Optiver is a content-driven organisation and the SB is continuously learning more about the specific business of the company. The new prudential regime for investment firms, China and Digital Assets were topics covered in well prepared deep dive sessions for the SB. The SB identified a list of topics it would like to see addressed in deep dive sessions in the coming period. Not only in deep-dive sessions, but also in the formal meetings in-depth and insightful updates are provided to the SB, in 2021 for instance from the APAC Chief Technology Officer on technology and from our Clearing Manager on Clearing. Senior staff is frequently invited to SB meetings, to present on specific topics in their field of expertise such as risk management, tax, finance, compliance and legal. Outside the meetings, the SB also makes sure to meet members of staff regularly, to enhance its understanding of all matters relevant to the business of Optiver.



Our thanks

The SB is thankful to all Optiverians for their continued dedication and high-quality work in 2021 and is looking forward to continued success in the years to come.

Amsterdam, 4 March 2022

The Members of the Supervisory Board

Hector de Beaufort
Chair

Miriam van Dongen

Jelle Elzinga

Harry de Grijs

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