

ALEXANDRIA REAL ESTATE EQUITIES INC
Form S-8
June 30, 2010

As filed with the Securities and Exchange Commission on June 30, 2010

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

ALEXANDRIA REAL ESTATE EQUITIES, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of

incorporation or organization)

95-4502084

(I.R.S. Employer Identification No.)

385 East Colorado Boulevard, Suite 299

Pasadena, California 91101

(Address of principal executive offices)

ALEXANDRIA REAL ESTATE EQUITIES, INC.

AMENDED AND RESTATED 1997 STOCK AWARD AND INCENTIVE PLAN

(Full title of the plan)

Joel S. Marcus

Chief Executive Officer

Alexandria Real Estate Equities, Inc.

385 East Colorado Boulevard, Suite 299

Pasadena, California 91101

(626) 578-0777

(Name, address and telephone number, including area code, of agent for service)

Copy to:

Kenneth E. Kohler

Morrison & Foerster LLP

555 West Fifth Street, 35th Floor

Los Angeles, California 90013

(213) 892-5200

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filero

Non-accelerated filer (Do not check if a smaller reporting company)Smaller reporting company **CALCULATION OF REGISTRATION FEE**

Title of Securities to be Registered	Amount to be Registered(1)		Proposed Maximum Offering Price per Share		Proposed Maximum Aggregate Offering Price		Amount of Registration Fee
Common Stock, par value							
\$.01 per share	3,000,000 shares (2)	\$	68.25(3)	\$	204,735,000(3)	\$	14,597.61
Total	3,000,000 shares		N/A	\$	204,735,000	\$	14,597.61

- (1) Pursuant to Rule 416, this Registration Statement shall also cover an indeterminate amount of any additional shares of Registrant's Common Stock that become issuable under the plan by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without receipt of consideration that increases the number of outstanding shares of Registrant's Common Stock.
- (2) Represents 3,000,000 shares of Common Stock reserved for future grant under Registrant's Plan.
- (3) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rules 457(c) and 457(h). The price per share and aggregate offering price are based upon the average of the high and low prices of Registrant's Common Stock on June 24, 2010 as quoted on the New York Stock Exchange.

EXPLANATORY NOTE

In accordance with the instructional Note to Part I of Form S-8 as promulgated by the Securities and Exchange Commission (the "SEC"), the information specified by Part I of Form S-8 has been omitted from this registration statement. This registration statement has been prepared in accordance with the requirements of Form S-8 under the Securities Act of 1933, as amended (the "Securities Act"), to register an additional 3,000,000 shares of Common Stock, par value \$0.01 per share, of Alexandria Real Estate Equities, Inc., a Maryland corporation (the "Company"), for issuance upon the exercise of outstanding option awards and awards to be granted under the Company's Amended and Restated 1997 Stock Award and Incentive Plan.

INCORPORATION BY REFERENCE OF CONTENTS OF CERTAIN REGISTRATION STATEMENTS ON FORM S-8

In accordance with General Instruction E of Form S-8 regarding the registration of additional securities of the same class as other securities for which there has been filed Registration Statements on Form S-8 relating to the same employee benefit plan, the prior Registration Statement on Form S-8 (File No. 333-34223) filed with the Commission on August 22, 1997, Registration Statement on Form S-8 (File No. 333-60075) filed with the Commission on July 29, 1998 and Registration Statement on Form S-8 (File No. 333-152433) filed with the Commission on July 21, 2008 are hereby incorporated by reference in this Registration Statement, except to the extent supplemented, amended or superseded by the information set forth herein.

PART II

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents are incorporated by reference in this Registration Statement:

- the Company's annual report on Form 10-K for the fiscal year ended December 31, 2009, filed with the SEC on March 1, 2010;
- all other reports filed under Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), since the end of the fiscal year covered by the financial statements included in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2009, filed with the SEC on March 1, 2010; and
- the description of the Company's common stock contained in the Company's registration statement on Form 8-A, filed with the SEC on May 14, 1997, including any amendments or reports filed for the purpose of updating such description;

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All documents filed by the Company pursuant to Section 13(a), 13(c), 14, and 15(d) of the Exchange Act after the date of this Registration Statement and prior to the filing of a post-effective amendment to this Registration Statement indicating that all securities offered have been sold or that deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement and shall be a part of this Registration Statement from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Registration Statement to the extent that a statement contained in this Registration Statement or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

ITEM 8. EXHIBITS

Exhibit Number	Description
5.1	Opinion of Venable LLP
23.1	Consent of Ernst & Young LLP
23.2	Consent of Venable LLP (contained in Exhibit 5.1 to this Registration Statement)
24.1	Power of Attorney (contained on the signature page to this Registration Statement)

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pasadena, State of California, on June 30, 2010.

ALEXANDRIA REAL ESTATE EQUITIES, INC.

/s/ Joel S. Marcus
Joel S. Marcus, Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Joel S. Marcus and Dean A. Shigenaga, and each or any one of them, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Joel S. Marcus Joel S. Marcus	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	June 30, 2010
/s/ Dean A. Shigenaga Dean A. Shigenaga	Chief Financial Officer (Principal Financial and Accounting Officer)	June 30, 2010
/s/ Richard B. Jennings Richard B. Jennings	Lead Director	June 27, 2010
/s/ John L. Atkins, III John L. Atkins, III	Director	June 28, 2010
/s/ Richard H. Klein Richard H. Klein	Director	June 30, 2010
/s/ James H. Richardson James H. Richardson	Director	June 28, 2010
/s/ Martin A. Simonetti Martin A. Simonetti	Director	June 30, 2010
/s/ Alan G. Walton Alan G. Walton	Director	June 26, 2010

We currently separate the roles of chairman of the board of directors and chief executive officer. Mr. Greifeld serves as chairman of our board of directors. This structure enables the board of directors to effectively exercise its role in oversight of Virtu while allowing our Chief Executive Officer to focus on the management of the day-to-day conduct of our business. The board may review and change its leadership structure in the future.

Board of Directors Role in Risk Oversight

It is the duty of our board of directors to serve as a prudent fiduciary for stockholders and to oversee the management of our Company.

Our Risk Committee, under powers delegated to it by our board of directors, is responsible for overseeing areas of risk that are not the primary responsibility of another committee of our board of directors or retained for oversight of the full board, including (i) cybersecurity, information security and information technology risk, (ii) trading, capital and liquidity risk and (iii) enterprise risk.

Our Audit Committee, under powers delegated to it by our board of directors, is also responsible for discussing with management the major financial, legal, compliance and other significant risks. Our Audit Committee works directly with members of senior management and our internal audit team to review and assess (i) the adequacy of the Company's internal controls, including significant deficiencies in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data, and management's response and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting. In addition, the Audit Committee meets as appropriate (i) as a committee to discuss our risk management policies and exposures and (ii) with our independent auditors to review our internal control environment and potential significant risk exposures.

Our Compensation Committee oversees the management of risks relating to our executive compensation programs and employee benefit plans. In fulfilling its duties, the Compensation Committee reviews at least annually our executive compensation programs, meets regularly with management to understand the financial, human resources and stockholder implications of compensation decisions and reports as appropriate to our board of directors.

The Nominating and Corporate Governance Committee oversees the management of risks relating to our corporate governance structure and director selection process.

Our board of directors as a whole also engages in the oversight of risk in various ways. It sets goals and standards for our employees, officers and directors. During the course of each year, our board of directors reviews the structure and operation of various of our departments and functions. In these reviews, our board of directors discusses with management material risks affecting those

Table of Contents

departments and functions and management's approach to mitigating those risks. Our board of directors also reviews and approves management's operating plans and any risks that could affect the results of those operating plans. In its review and approval of Annual Reports on Form 10-K (including any amendments thereto), our board of directors reviews our business and related risks, including as described in the "Business," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the reports. The Audit Committee reviews these risks quarterly in connection with the preparation of Quarterly Reports on Form 10-Q.

When our board of directors reviews particular transactions and initiatives that require its approval, or that otherwise merit its involvement, it generally includes related analysis and risk mitigation plans among the matters addressed with senior management. The day-to-day identification and management of risk is the responsibility of our management. As the market environment, industry practices, regulatory requirements and our business evolve, we expect that senior management and our board of directors will respond with appropriate risk mitigation strategies and oversight.

Board and Committee Meetings; Annual Meeting Attendance

During the year ended December 31, 2018:

the board of directors held seven meetings and acted by written consent seven times;

the Audit Committee held nine meetings and acted by written consent two times;

the Risk Committee held five meetings and did not act by written consent;

the Nominating and Corporate Governance Committee held one meeting and did not act by written consent; and

the Compensation Committee held four meetings and acted by written consent one time.

In the year ended December 31, 2018, no member of our board of directors attended fewer than 75% of the aggregate of: (i) the total number of meetings of the board of directors (held during the period for which he or she has been a director) and (ii) the number of meetings held by all committees of the board of directors (during the periods that he or she served on such committees), except that Gen. Abizaid, who retired from our board of directors effective January 18, 2019, attended approximately 67% of such meetings during the period. For additional information regarding Gen. Abizaid's retirement, please see the Current Report on Form 8-K filed by the Company with the SEC on January 18, 2019.

According to our Corporate Governance Guidelines, our directors are expected to attend the annual meeting of stockholders, meetings of the board of directors and meetings of committees on which they serve and to spend the time needed, and meet as frequently as necessary, to properly discharge their responsibilities. Four of our directors attended our 2018 annual meeting of stockholders. Directors are expected to review meeting materials prior to board of director and committee meetings and, when possible, should communicate in advance of meetings any questions or concerns that they wish to discuss so that management will be prepared to address the same. Each director's attendance at, and preparation for, board of director meetings and meetings of committees on which they serve shall be considered by the Nominating and Corporate Governance Committee when recommending director nominees.

Board Committees

Our board of directors has four standing committees: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Risk Committee. Under the rules of NASDAQ, the membership of the Audit Committee is required to consist entirely of independent directors. As a controlled company (see "Controlled Company Status" on page 11 of this

Table of Contents

proxy statement), we are not required to have fully independent Compensation and Nominating and Corporate Governance Committees. The following is a brief description of our committees.

Audit Committee

We have a separately designated standing Audit Committee established in accordance with section 3(a)(58)(A) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"). Our Audit Committee assists the board of directors in monitoring the audit of our financial statements, our independent auditors' qualifications and independence, the performance of our audit function and independent auditors and our compliance with legal and regulatory requirements. Our Audit Committee has direct responsibility for the appointment, compensation, retention (including termination) and oversight of our independent auditors, and our independent auditors report directly to the Audit Committee. Our Audit Committee also reviews and approves related party transactions as required by the rules of NASDAQ. Our board of directors has adopted a written charter for the Audit Committee, which is available on our corporate website at <http://ir.virtu.com/corporate-governance/default.aspx>. The information on our website is not part of this proxy statement.

Messrs. Cruger, Quick, Sandner and Grano are the members of our Audit Committee. The board of directors has determined that Mr. Cruger qualifies as an "audit committee financial expert" as such term is defined in Item 407(d)(5)(ii) of Regulation S-K under the Securities Act of 1933, as amended (the "Securities Act") and that each of Messrs. Cruger, Quick, Sandner and Grano is "independent" for purposes of Rule 10A-3 of the Exchange Act and under the listing standards of NASDAQ. The designation of "audit committee financial expert" does not impose on Mr. Cruger any duties, obligations or liabilities that are greater than are generally imposed on members of our Audit Committee and our board of directors.

Compensation Committee

Our Compensation Committee reviews and recommends policies relating to compensation and benefits of our directors and employees and is responsible for approving the compensation of our Chief Executive Officer and other executive officers. Our Chief Executive Officer annually reviews the performance of each of the other executive officers relative to individual and corporate annual performance goals established for the year. The Chief Executive Officer then presents his compensation recommendations based on these reviews to the Compensation Committee. Once the Compensation Committee has reviewed and evaluated executive performance, recommendations are made to the board of directors for approval. The board of directors subsequently approved 2018 director and executive compensation arrangements based on the Compensation Committee's recommendations, the recommendations of the Compensation Committee's compensation consultant (described below) and the collective judgment of the board's members. Our board of directors has adopted a written charter for the Compensation Committee, which is available on our corporate website at <http://ir.virtu.com/corporate-governance/default.aspx>. The information on our website is not part of this proxy statement.

Pursuant to the written charter of the Compensation Committee, the Compensation Committee may form and delegate authority to subcommittees when appropriate, provided that the subcommittees are composed entirely of directors who satisfy the applicable independence requirements of the Company's corporate governance guidelines and the rules and regulations of NASDAQ, including any applicable "controlled company" exemption. Additionally, pursuant to its written charter, the Compensation Committee has the sole authority to retain and terminate a compensation consultant and to approve the consultant's fees and all other terms of the engagement. In 2017 and 2018, at the recommendation of the Company's management, the Compensation Committee engaged F.W. Cook as its independent compensation consultant to determine and recommend the amount and form of

Table of Contents

compensation for the Company's Chief Executive Officer and Chief Financial Officer, evaluating and making recommendations with respect to the remuneration of the members of our board of directors and the Company's Chief Executive Officer.

Our Compensation Committee also administers the issuance of awards under the Virtu Financial, Inc. 2015 Management Incentive Plan and the Virtu Financial, Inc. Amended and Restated 2015 Management Incentive Plan (collectively, the "2015 Plan").

Messrs. Nixon, Sandner and Greifeld are the members of our Compensation Committee. Because we are a "controlled company" under the rules of NASDAQ (see "Controlled Company Status" on page 11 of this proxy statement), our Compensation Committee is not required to be fully independent, although if such rules change in the future or we no longer meet the definition of a controlled company under the current rules, we will adjust the composition of the Compensation Committee accordingly in order to comply with such rules.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee selects or recommends that the board of directors select candidates for election to our board of directors, develops and recommends to the board of directors corporate governance guidelines that are applicable to us and oversees board of director and management evaluations. In addition, our Nominating and Corporate Governance Committee recommends to our board of directors for approval director nominees, consistent with our director qualifications criteria and any obligations under certain contractual arrangements. Our board of directors has adopted a written charter for the Nominating and Corporate Governance Committee, which is available on our corporate website at <http://ir.virtu.com/corporate-governance/default.aspx>. The information on our website is not part of this proxy statement.

Messrs. Greifeld and Vincent Viola are the members of our Nominating and Corporate Governance Committee. Because we are a "controlled company" under the rules of NASDAQ (see "Controlled Company Status" on page 11 of this proxy statement), our Nominating and Corporate Governance Committee is not required to be fully independent, although if such rules change in the future or we no longer meet the definition of a controlled company under the current rules, we will adjust the composition of the Nominating and Corporate Governance Committee accordingly in order to comply with such rules. Mr. Vincent Viola is not independent.

Policy Regarding Director Nominations

Our Nominating and Corporate Governance Committee utilizes a broad approach for identification of director nominees and may seek recommendations from our directors, officers or stockholders and/or engage a search firm. In evaluating and determining whether to ultimately recommend a person as a candidate for election as a director, the Nominating and Corporate Governance Committee evaluates all factors that it deems appropriate, including the number of current directors, as well as the qualifications set forth in our Corporate Governance Guidelines, including the highest personal and professional ethics, integrity, high performance standards and history of achievements, and ability to provide wise and thoughtful counsel on a broad range of issues. It also takes into account specific characteristics and expertise that it believes will enhance the diversity of knowledge, expertise, background and personal characteristics of our board of directors.

The Nominating and Corporate Governance Committee may engage a third party to conduct or assist with this evaluation. Ultimately, the Nominating and Corporate Governance Committee seeks to recommend to the board of directors those nominees whose specific qualities, experience and expertise will augment the current board of directors' composition and whose past experience evidences that they will: (1) dedicate sufficient time, energy and attention to ensure the diligent performance of board duties; (2) comply with the duties and responsibilities set forth in our Corporate Governance

Table of Contents

Guidelines and in our bylaws; (3) comply with all duties of care, loyalty and confidentiality applicable to them as directors of publicly traded corporations organized in Delaware; and (4) adhere to our Code of Conduct and Ethics.

In its discretion, the Nominating and Corporate Governance Committee will also consider recommendations of qualified nominees by stockholders by evaluating the same factors as described above.

In addition to the board process described above, our bylaws permit stockholders to nominate directors for election at an annual meeting of stockholders. To nominate a director, the stockholder must meet certain deadlines established by our by-laws and provide certain information required by our bylaws. For a description of the process for nominating directors in accordance with our bylaws, see "Additional Information" on page 50 of this proxy statement.

Risk Committee

Our Risk Committee was established in 2017 and assists our board of directors in its oversight of the Company's risk management activities, with particular focus on (i) cybersecurity, information security and information technology risk, (ii) trading, capital and liquidity risk and (iii) enterprise risk. Our Risk Committee also oversees and receives reports from the Company's Chief Risk Officer on the Company's risk assessment and risk management activities and may conduct or oversee stress testing or scenario testing. Our board of directors has adopted a written charter for the Risk Committee, which is available on our corporate website at <http://ir.virtu.com/corporate-governance/default.aspx>. The information on our website is not part of this proxy statement.

Messrs. Hutchins, Quick and Michael Viola are the members of our Risk Committee. Our Risk Committee is not required to be fully independent, although if such rules change in the future, we will adjust the composition of the Risk Committee accordingly in order to comply with such rules.

Communication with the Board of Directors

Any stockholder or other interested parties who would like to communicate with our board of directors, the independent directors as a group or any specific member or members of our board of directors should send such communications to the attention of our Secretary, at Virtu Financial, Inc., One Liberty Plaza, 165 Broadway, New York, New York 10006. Communications should contain instructions on which member or members of the board of directors the communication is intended for, if applicable. In general, such communication will be forwarded to the intended recipients. However, the Secretary may, in his discretion, decline to forward any communications that are abusive, threatening or otherwise inappropriate.

Compensation Committee Interlocks and Insider Participation

During the year ended December 31, 2018, no member of the Compensation Committee was one of our officers or employees. None of our executive officers serves on the Compensation Committee or board of directors of any other company of which any of the members of our Compensation Committee or any of our directors is an executive officer.

Code of Conduct and Ethics

We have adopted a code of conduct and ethics applicable to our employees, officers and directors. A copy of that code is available on our corporate website at <http://ir.virtu.com/corporate-governance/default.aspx>. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website. The information on our website is not part of this proxy statement.

Table of Contents

PROPOSAL 2: ADVISORY VOTE TO APPROVE COMPENSATION OF NAMED EXECUTIVE OFFICERS

In accordance with the requirements of Section 14A of the Exchange Act and Exchange Act Rule 14a-21(a), we are including in this proxy statement a separate resolution to approve, in a non-binding, stockholder advisory vote, the compensation paid to our named executive officers as disclosed in "Executive Compensation" below. This vote represents our first non-binding, stockholder advisory vote on executive compensation (or "say-on-pay" vote) because, as of December 31, 2018, we are no longer an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012.

While the results of the say-on-pay vote are non-binding and advisory in nature, our board of directors and Compensation Committee intend to consider the results of this vote in making future compensation decisions.

Our board of directors currently intends to conduct advisory votes on executive compensation every year, subject to any input from our shareholders as a result of the advisory vote on the frequency of future say-on-pay votes in proposal 3. As a result, our next advisory say-on-pay vote will take place at our annual meeting of shareholders in 2020.

The language of the resolution is as follows:

"RESOLVED, that the compensation paid to the Company's named executive officers for the fiscal year ended December 31, 2018, as discussed pursuant to the compensation disclosure rules of the SEC, including the compensation discussion and analysis, the summary compensation table and the related compensation tables and narrative in this proxy statement, is hereby APPROVED, on an advisory basis."

In considering their vote, stockholders are encouraged to read the compensation discussion and analysis, the accompanying compensation tables, and the related narrative disclosure included in this proxy statement.

Our board of directors recommends that you vote "FOR" the approval, on an advisory basis, of the compensation of our named executive officers.

Table of Contents

PROPOSAL 3: ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

In accordance with the requirements of Section 14A of the Exchange Act and the related rules of the SEC, we are submitting for stockholder consideration a separate resolution to determine, in a non-binding advisory vote, whether say-on-pay votes should occur every one, two or three years. This vote represents our first non-binding, stockholder advisory vote on the frequency of say-on-pay votes (a "say-on-frequency" vote) because, as of December 31, 2018, we are no longer an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012.

After careful consideration, our board of directors believes that a frequency of every year for the advisory vote on executive compensation is the optimal interval for conducting and responding to a "say-on-pay" vote.

While the results of the vote are non-binding and advisory in nature, the board of directors intends to carefully consider the results of this vote when considering the frequency of future advisory votes on executive compensation.

Our board of directors recommends that you vote for, on an advisory basis, the approval of the option of "1 YEAR" for holding a future advisory say-on-pay vote.

Table of Contents

EXECUTIVE COMPENSATION

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the disclosures contained in the following "Compensation Discussion and Analysis." Based on this review and discussion, the Compensation Committee recommended to the Board that the section entitled "Compensation Discussion and Analysis" be included in this proxy statement for the Annual Meeting.

Members of the Compensation Committee

John D. Nixon (Chair)

Robert Greifeld

John F. Sandner

COMPENSATION DISCLOSURE AND ANALYSIS

This compensation discussion and analysis discusses our executive compensation programs for our named executive officers in respect of our fiscal year ended December 31, 2018, which we refer to herein as "fiscal year 2018," and includes a discussion of our compensation objectives and philosophy and the material elements of compensation earned by, awarded, or paid, to our named executive officers in fiscal year 2018. This section also describes processes we use in reaching compensation decisions and is intended to amplify and provide context for understanding the amounts in the tabular disclosure that follows. In addition, we highlight certain attributes of our program, provide a summary of certain key compensation decisions during fiscal year 2018 and describe our intended compensation approach.

Our named executive officers for fiscal year 2018 were as follows:

Douglas A. Cifu	Chief Executive Officer
Joseph Molluso	Executive Vice President and Chief Financial Officer
Stephen Cavoli	Executive Vice President, Markets

Compensation Program Objectives

Our primary objective with respect to executive compensation is to provide competitive compensation and benefits to attract, retain, motivate and reward the highest quality executive officers. Accordingly, we attempt to ensure that compensation provided to executive officers remains competitive relative to the compensation paid to similarly situated executives. A further objective of our compensation program is to provide variable pay opportunities through cash bonuses and restricted stock awards that reward our officers based on achievement of both individual and Company financial results. In addition, we aim to establish compensation plans that align the performance of our executive officers with the Company's objectives and the creation of long-term shareholder value, such as the reward of equity compensation which ties a portion of our executive compensation to the performance of our common stock. We believe an appropriate mix of an executive officer's pay should be variable and performance-based in order to focus the executive officer on both our short-term and long-term strategic objectives.

The overall level of total compensation for our named executive officers is intended to be reasonable in relation to, and competitive with, the compensation paid to executives in the industries in which we compete for talent, subject to variation for factors such as the individual's experience, performance, duties and scope of responsibilities, prior contributions and future potential contributions to our business. Our compensation plans are designed to align with business strategies, taking into account external market conditions and internal equity issues. With these principles in mind, we structure our compensation program as competitive total pay packages that we believe enable us to

Table of Contents

attract, retain and motivate executives with the skill and knowledge that we require, and to ensure the stability of our management team, which is vital to the success of our business.

Key features of our compensation policies and practices that aim to drive performance and align with stockholder interests are highlighted below:

Pay-for-performance: A portion of the compensation program for named executive officers is designed to encourage the executives to remain focused on both our short-term and long-term operational success and to reward outstanding individual performance.

Align Incentives with Shareholders: Our executive compensation program is designed to focus our named executive officers on our key strategic, financial and operational goals that will translate into long-term value-creation for our shareholders.

Limited perquisites: We provide limited, reasonable perquisites that we believe are consistent with our overall compensation philosophy.

No IRC Section 280G or 409A tax gross-ups: We do not provide tax gross-ups under our change in control provisions or deferred compensation programs.

No supplemental retirement plans: We do not maintain any supplemental retirement plans.

The Process of Setting Executive Compensation

The Compensation Committee participates in an annual evaluation of the performance of our CEO and the Compensation Committee determines and approves the CEO's compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Compensation Committee will also consider, among such other factors, the Company's performance, shareholder returns, the value of similar incentive awards to chief executive officers at comparable companies and the awards given to the CEO in past years. Our CEO reviews each named executive officer's compensation package, other than his own, annually in light of the performance of each officer. The conclusions reached and recommendations made based on these reviews, including those with respect to salary adjustments and annual award amounts, are then presented to the Compensation Committee and/or our board of directors for review and approval.

Specifically, the Compensation Committee determines and approves the compensation packages of the CEO and approves the compensation packages of each other named executive officer, giving significant deference to the views and recommendations of the CEO. The CEO is not present during voting or deliberations relating to his own compensation.

Committee's Compensation Consultant

The Compensation Committee has previously engaged an independent compensation consultant, F.W. Cook (the "Committee's consultant"), to assist it in carrying out its responsibilities. The Committee's consultant has previously provided the Compensation Committee with guidance to consider when making the compensation decisions for the CEO and when considering the recommendations made with respect to the other named executive officers. The Compensation Committee has the sole authority to retain or terminate consultants to assist it in the evaluation of director, chief executive officer and other executive compensation. The Compensation Committee has the sole authority to determine the terms of engagement and the extent of funding necessary for payment of compensation to any consultant retained to advise the Compensation Committee. Except for compensation recommendations regarding the CFO's compensation, the Committee's consultant did not provide any services to the Compensation Committee or management in fiscal year 2018.

Table of Contents**Elements of Compensation for 2018 and Why We Chose to Pay Each Element**

The primary elements of our executive compensation program are base salary, annual cash bonuses, equity-based compensation and certain employee benefits and perquisites. Brief descriptions of each principal element of our executive compensation program are summarized in the following table and described in more detail below.

Compensation Element	Brief Description	Objectives
<i>Base Salary</i>		Provide a competitive, fixed level of cash compensation to attract and retain talented and skilled executives
<i>Annual Cash Bonus</i>	Fixed compensation Variable, performance-based cash compensation earned based on financial and individual performance	Retain and motivate executives to achieve or exceed financial goals and company objectives
<i>Annual Equity Awards</i>	Equity and equity-based compensation that is subject to vesting based on (i) continued employment and (ii) for certain named executive officers, achievement of pre-established financial and operational goals	The mix of equity and equity-based awards with time-based vesting assists in retention of key talent while also rewarding executives for exceptional performance
<i>Employee Benefits and Perquisites</i>	Participation in all broad-based employee health and welfare programs and retirement plans	Aid in retention of key executives in a highly competitive market for talent by providing an overall competitive benefits package

Consistent with and in promotion of the compensation program objectives detailed above, a significant percentage of total compensation is allocated incentives in order to motivate the named executive officers to achieve the business goals set by the Company and reward the officers for achieving such goals. There is no pre-established policy or target for allocating compensation between long-term and currently paid out compensation, between cash and non-cash compensation, among different forms of non-cash compensation, or among named executive officers. Rather, we look at an executive's goals and responsibilities to determine the appropriate level and mix of incentive compensation.

Base Salary. We provide executive officers with a base salary to compensate them for services rendered during the fiscal year. This process also enables us to attract and retain an appropriate caliber of talent for the position and to provide a base level of monthly income that is not subject to our performance risk. We conduct a review of base salaries annually, and during such a review we generally consider each named executive officer's individual past performance, the scope of the role and responsibilities of the executive officer within our organization, and the performance of the organization as a whole. We also review the officer's compensation relative to that of our other officers and to the market for officers of similar expertise and experience. Base salaries for our named executive officers were not increased in fiscal year 2018.

Variable Incentive Compensation. We award variable incentive compensation to reward performance achievements with a time horizon of one year or less. We provide this opportunity to attract and retain an appropriate caliber of talent for the position and to motivate executives to achieve

Table of Contents

our annual business goals. We review variable incentive compensation awards annually to determine award payments for the last completed fiscal year, as well as to establish award opportunities for the current fiscal year.

To determine the actual variable incentive compensation amounts, the Compensation Committee reviews quantitative and qualitative criteria. With respect to both types of criteria, attainment of any specific level of performance or specific qualitative goal does not determine the amount of the bonus, except as discussed below regarding Mr. Cifu's annual bonus. Other than as set forth below with respect to Mr. Cifu's annual bonus, no pre-determined single performance metric is disproportionately weighted in making the determination of a named executive officer's variable incentive compensation payout, which provides discretion to our Compensation Committee to adjust the actual amount paid in respect of variable incentive compensation to reward financial performance and individual performance in the context of our growing and dynamic business.

The amount of the variable incentive compensation award can be paid in a mixture of cash and/or equity, as determined by the Compensation Committee each year. This provides the Compensation Committee with more flexibility, under differing market and financial conditions and depending upon the strategic direction of the firm, to easily vary the mix of compensation without the need to focus on the form (cash or stock) but rather the value being delivered coupled with the proper incentives for our named executive officers to create short- and long-term stock holder value. Generally, the mixture of cash and equity based compensation is determined by the aggregate variable incentive compensation payable for the applicable year. For Mr. Cifu, the mixture of cash and equity for his 2018 variable incentive compensation was distributed in accordance with his employment agreement with 50% paid in cash, 20% paid in fully-vested common stock and the remaining 30% paid in the form of restricted stock units that vest ratably over a three-year period. For Mr. Molluso, 40% of his 2018 variable incentive compensation was paid in cash, 24% was paid in fully-vested common stock and the remaining 36% was paid in the form of restricted stock units that vest ratably over a three-year period. For Mr. Cavoli, 60% of his 2018 variable incentive compensation was paid in cash, 16% was paid in fully-vested common stock and the remaining 24% was paid in the form of restricted stock units that vest ratably over a three-year period. We use awards of fully-vested common stock and restricted stock units as a long-term incentive vehicle because it aligns the interests of executives with those of shareholders, supports a pay-for-performance culture, fosters employee stock ownership, and focuses the management team on increasing value for the shareholders and on the organization's long-term performance.

In fiscal year 2018, in accordance with the terms of his employment agreement, Mr. Cifu was eligible to earn an annual bonus with a target bonus opportunity equal to \$2,500,000 and a maximum bonus opportunity equal to \$5,000,000. Eighty percent (80%) of the annual bonus was based on the achievement of budgeted adjusted EBITDA in fiscal year 2018 and 20% of the annual bonus was based on the achievement of qualitative goals. For fiscal year 2018, the threshold to earn the target performance-based portion of the annual bonus was achievement of budgeted adjusted EBITDA of \$444,900,000 and the threshold to earn the maximum performance-based portion of the annual bonus was achievement of budgeted adjusted EBITDA of \$600,000,000. Our actual budgeted adjusted EBITDA for fiscal year 2018 was \$619,987,000, therefore Mr. Cifu earned 100% (*i.e.*, \$4,000,000) of the performance-based portion of his annual bonus, and the Compensation Committee determined that Mr. Cifu earned 80% (*i.e.*, \$800,000) of the qualitative portion of his annual bonus.

The Compensation Committee, in determining the amount of variable incentive compensation to be paid to Messrs. Molluso and Cavoli in fiscal year 2018, took into account the Company's adjusted net trading income, adjusted EBITDA, adjusted net income and adjusted earnings per share, the Company's expenses and the Company's achievement of various objectives in relation to its acquisition of and integration with KCG Holdings, Inc. Accordingly, for fiscal year 2018, the amount of variable

Table of Contents

incentive compensation form of payments to our named executive officers is described in the table below:

Name	Cash	Restricted Stock Units	Common Stock	Total 2018 Variable Incentive Compensation
Douglas A. Cifu	\$ 2,400,000	\$ 1,440,000	\$ 960,000	\$ 4,800,000
Joseph Molluso	\$ 700,000	\$ 630,000	\$ 420,000	\$ 1,750,000
Stephen Cavoli	\$ 480,000	\$ 192,000	\$ 128,000	\$ 800,000

Annual Equity Awards*Cifu Equity Award*

In fiscal year 2018, in accordance with the terms of his employment agreement, Mr. Cifu received a grant of 150,000 restricted shares of Class A common stock that are earned based on the percentage of budgeted adjusted EBITDA achieved in fiscal year 2018: 50% of the shares are earned if 70% of budgeted adjusted EBITDA is achieved and 100% of the shares are earned if 75% of budgeted Adjusted EBITDA is achieved. For fiscal year 2018, our budgeted adjusted EBITDA was \$444,900,000 and, as noted above, we achieved over 100% of such amount. Accordingly, Mr. Cifu earned 150,000 shares of Common A common stock, of which 50% vested on December 31, 2018 and the remaining 50% will vest on December 31, 2019, subject to Mr. Cifu's continued employment through such date. The Compensation Committee believes this award incentivizes Mr. Cifu to achieve key financial goals of the Company and aligns his long-term interests with those of our shareholders.

Molluso Equity Award

In fiscal year 2018, in recognition of prior service and his contribution to the Company's achievement of various Company objectives and corporate development, Mr. Molluso received an award of 120,000 restricted stock units that vest ratably over a three-year period (the "Molluso Equity Award").

Employee Benefits and Perquisites

We provide a number of benefit plans to all eligible employees, including our named executive officers. These benefits include programs such as medical, dental, life insurance, business travel accident insurance, short and long-term disability coverage and a 401(k) defined contribution plan.

While perquisites help to provide our named executive officers a benefit with a high perceived value at a relatively low cost, we do not generally view perquisites as a material component of our executive compensation program. In the future, we may provide additional or different perquisites or other personal benefits in limited circumstances, such as where we believe doing so is appropriate to assist an executive in the performance of his or her duties, to make our named executive officers more efficient and effective and for recruitment, motivation and/or retention purposes.

Severance Protection

We have entered into an employment agreement with Mr. Cifu that provides for certain severance payments and benefits in the event that his employment is terminated under specified conditions. In addition, the vesting of a portion of his equity awards accelerates in connection with qualifying terminations of employment. A portion of the Molluso Equity Award accelerates in connection with certain qualifying terminations of Mr. Molluso's employment. We believe that these severance benefits are appropriate to remain competitive in our executive retention efforts, recognizing that such benefits

Table of Contents

are commonly offered by employers competing for similar executive talent. See " Potential Payments upon Termination of Employment or Change in Control" for additional information

Taxation of Executive Compensation

For income tax purposes, public companies may not deduct any portion of compensation that is in excess of \$1 million paid in a taxable year to certain "covered employees," including our named executive officers, under Section 162(m) of the Internal Revenue Code of 1986, as amended ("Section 162(m)"). However, most of the services rendered by our named executive officers will be performed on behalf of our operating partnership, Virtu Financial or its subsidiaries. Accordingly, we believe that the deductibility of compensation we pay to our named executive officers should not be limited by Section 162(m).

Nevertheless, even if Section 162(m) were to apply to compensation paid to our named executive officers, our board of directors believes that it should not be constrained by the requirements of Section 162(m) of the Code if those requirements would impair flexibility in compensating our named executive officers in a manner that can best promote our corporate objectives. We intend to continue to compensate our executive officers in a manner consistent with the best interests of our stockholders and reserve the right to award compensation that may not be deductible under Section 162(m) where the Company believes it is appropriate to do so.

Section 409A of the Code requires that "nonqualified deferred compensation" be deferred and paid under plans or arrangements that satisfy the requirements of the statute with respect to the timing of deferral elections, timing of payments and certain other matters. Failure to satisfy these requirements can expose employees and other service providers to accelerated income tax liabilities, penalty taxes and interest on their vested compensation under such plans. Accordingly, as a general matter, it is our intention to design and administer our compensation and benefits plans and arrangements for all of our employees and other service providers, including our named executive officers, so that they are either exempt from, or satisfy the requirements of, Section 409A.

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Table of Contents

Summary Compensation Table

The following table sets forth the cash and non-cash compensation paid by the Company during the years ended December 31, 2016, December 31, 2017 and December 31, 2018 to its named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Non-Equity Incentive		Total (\$)
					Plan Compensation (\$)	All Other Compensation (\$)	
Douglas A. Cifu <i>Chief Executive Officer</i>	2018	\$ 1,000,000	\$ 400,000(1)	\$ 5,298,240(2)	\$ 2,000,000(3)	\$ 71,367(4)	\$ 8,769,607
	2017	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000(5)		\$ 72,854(4)	\$ 3,572,854
	2016	\$ 1,000,000				\$ 86,089(4)	\$ 1,086,089
Joseph Molluso <i>Executive Vice President and Chief Financial Officer</i>	2018	\$ 500,000	\$ 700,000	\$ 4,993,812(6)			\$ 6,193,812
	2017	\$ 500,000	\$ 700,000	\$ 1,050,000(7)			\$ 2,250,000
	2016	\$ 500,000	\$ 750,000	\$ 735,415(8)			\$ 1,985,415
Stephen Cavoli <i>Executive Vice President, Markets</i>	2018	\$ 400,000	\$ 480,000	\$ 320,000(9)			\$ 1,200,000
	2017	\$ 400,000	\$ 400,000				\$ 800,000

- (1) This amount represents 50% of the portion of Mr. Cifu's annual bonus that was based on the achievement of qualitative goals. The remaining 50% was paid in the form of restricted stock units and fully vested shares of our Class A common stock which are reflected in the "Stock Awards" column in the table above.
- (2) This amount represents the grant date fair value calculated in accordance with FASB ASC Topic 718 with respect to (i) the grant of restricted shares, (ii) the grant of restricted stock units and (iii) fully vested shares of our Class A common stock. Assumptions used in calculating these amounts are described in Note 17 of the Company's audited financial statements for the fiscal year ended December 31, 2018 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018. The grant of restricted stock units and fully vested shares of our Class A common stock relate to the settlement of Mr. Cifu's 2018 annual bonus, however, the awards were actually granted in fiscal year 2019.
- (3) This amount represents 50% of the portion of Mr. Cifu's annual bonus that was based on achievement of performance goals. The remaining 50% was paid in the form of restricted stock units and fully vested shares of our Class A common stock which are reflected in the "Stock Awards" column in the table above.
- (4) This amount represents the cost of providing transportation services to Mr. Cifu.
- (5) This amount represents the grant date fair value calculated in accordance with FASB ASC Topic 718 with respect to (i) the grant of restricted stock units and (ii) fully vested shares of our Class A common stock. Assumptions used in calculating these amounts are described in Note 16 of the Company's audited financial statements for the fiscal year ended December 31, 2017 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017. The grant of restricted stock units and fully vested shares of our Class A common stock relate to the settlement of Mr. Cifu's 2017 annual bonus, however, the awards were actually granted in fiscal year 2018.
- (6) This amount represents the grant date fair value calculated in accordance with FASB ASC Topic 718 with respect to (i) the grant of restricted stock units and (ii) fully vested shares of our Class A common stock. Assumptions used in calculating these amounts are described in Note 17 of the Company's audited financial statements for the fiscal year ended December 31, 2018 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018. The grant of restricted stock units and fully vested shares of our Class A common stock relate to the settlement of Mr. Molluso's 2018 annual bonus, however, the awards were actually granted in fiscal year 2019.
- (7) This amount represents the grant date fair value calculated in accordance with FASB ASC Topic 718 with respect to (i) the grant of restricted stock units and (ii) fully vested shares of our Class A common stock. Assumptions used in calculating these amounts are described in Note 16 of the Company's audited financial statements for the fiscal year ended December 31, 2017 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017. The grant of restricted stock units and fully vested shares of our Class A common stock relate to the settlement of Mr. Molluso's 2017 annual bonus, however, the awards were actually granted in fiscal year 2018.
- (8)

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This amount represents the grant date fair value calculated in accordance with FASB ASC Topic 718 with respect to (i) the grant of restricted stock units and (ii) fully vested shares of our Class A common stock. Assumptions used in calculating these amounts are described in Note 14 of the Company's audited financial statements for the fiscal year ended December 31, 2016 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016. The grant of restricted stock units and fully vested shares of our Class A common stock relate to the settlement of Mr. Molluso's 2016 annual bonus, however, the awards were actually granted in fiscal year 2017.

(9)

This amount represents the grant date fair value calculated in accordance with FASB ASC Topic 718 with respect to (i) the grant of restricted stock units and (ii) fully vested shares of our Class A common stock. Assumptions used in calculating these amounts are described in Note 17 of the Company's audited financial statements for the fiscal year ended December 31, 2018 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018. The grant

Table of Contents

of restricted stock units and fully vested shares of our Class A common stock relate to the settlement of Mr. Cavoli's 2018 annual bonus, however, the awards were actually granted in fiscal year 2019.

Grants of Plan-Based Awards in 2018 Fiscal Year

The following table presents information with respect to each award made to our named executive officers in 2018.

Name and Type of Award	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Possible Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock Units (#)	Grant Date Fair Value of Stock Awards (\$)(3)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Douglas A. Cifu									
<i>Annual Bonus</i> (1)			2,500,000	5,000,000					
<i>Restricted Shares</i> (2)	2/2/2018				75,000		150,000	\$ 2,910,000	
Joseph Molluso									
<i>Restricted Stock Units</i>	3/21/2018						120,000	\$ 3,930,000	

- (1) This bonus, to the extent earned, is settled 50% in cash, 30% in restricted shares that vest in three equal annual installments and 20% in fully vested common stock.
- (2) See "Cifu Annual Equity Award" above for further discussion on the performance and vesting conditions applicable to these shares.
- (3) The Company made certain equity grants in 2018 that are not reportable in this table because they were awarded in settlement of the named executive officers' 2017 annual bonus. Those equity grants are reflected in the Summary Compensation Table above under the heading "Stock Awards" for fiscal year 2017.

Employment Agreements and Restrictive Covenant Agreements

Employment Agreement with Mr. Cifu

On November 15, 2017, we entered into a new employment agreement with Mr. Cifu, which amends and supersedes the terms of his prior employment agreement dated April 14, 2015, pursuant to which Mr. Cifu will continue to serve as our Chief Executive Officer and report to our board of directors. Mr. Cifu's duties, responsibilities and permitted activities are substantially identical to his original employment agreement. During the term, Mr. Cifu's principal place of employment is in our principal office in New York, New York. Mr. Cifu's employment agreement further provides that to the extent such activities do not significantly interfere with the performance of his duties, service and responsibilities, Mr. Cifu is permitted to manage his personal, financial and legal affairs, serve on civic or charitable boards and committees and, to the extent approved by our board of directors, serve on corporate boards and committees; provided that Mr. Cifu is permitted to continue to be engaged in, or provide services to, certain specified businesses and activities (including but not necessarily limited to his role as the Vice Chairman and Alternate Governor of the Florida Panthers, a National Hockey League franchise, and his role as a director of the Independent Bank Group, Inc., a regional bank holding company), and, to the extent such activities do not significantly interfere with the performance of his duties, service and responsibilities, to become engaged in, or provide services to, any other business or activity in which Mr. Vincent Viola, our Founder and Chairman Emeritus, is permitted to become engaged in, to the extent that Mr. Cifu's level of participation in such businesses or activities are consistent with his participation in the aforementioned specified businesses or activities prior to the effective date of the employment agreement.

The employment agreement has an initial term of five years ending on November 15, 2022, with automatic renewals for successive one-year terms thereafter unless either we or the executive provides notice of non-renewal at least ninety days in advance of the expiration of the then-current term. However, if a change in control of the Company occurs at a time when there are less than two years

Table of Contents

remaining in the term, the term will automatically be extended so that the expiration date is two years from the effective date of the change in control.

Under the employment agreement Mr. Cifu's base salary remains at \$1,000,000 and Mr. Cifu is eligible to earn an annual bonus with a target bonus opportunity equal to \$2,500,000 and a maximum bonus opportunity equal to \$5,000,000. Eighty percent (80%) of the annual bonus will be based on the achievement of quantitative targets composed of specific components of the Company's annual budget and 20% of the annual bonus will be based on the achievement of qualitative goals. To the extent earned, 50% of the annual bonus will be paid in cash, 30% of the annual bonus will be paid in the form of restricted shares of Class A common stock of the Company that vest in three equal annual installments and the remaining 20% will be paid in the form of fully vested shares of Class A common stock.

The employment agreement provides that, commencing with calendar year 2018, Mr. Cifu will be eligible to receive an equity award at the beginning of each calendar year during the term (an "Annual Equity Grant"). It is our board of director's current intention that the Annual Equity Grant will be in the form of 150,000 restricted shares of Class A common stock that are subject to performance and service conditions. The number of shares earned under each Annual Equity Grant will be based on the percentage of budgeted EBITDA achieved in the applicable calendar year, with a minimum of 50% of shares earned upon at least 70% achievement and 100% of shares earned upon at least 75% achievement. To the extent any shares of Class A common stock are earned with respect to an applicable Annual Equity Grant, 50% of such shares will vest on the last day of the calendar year to which such award relates and the remaining 50% will vest on the last day of the subsequent calendar year, subject to Mr. Cifu's continued employment through each applicable vesting date.

The employment agreement further provides that Mr. Cifu is entitled to participate in all of the Company's benefit plans and programs, and to receive perquisites, commensurate with his position, that are provided by the Company from time to time to senior executives generally, and to receive director and officer indemnification and insurance protection. In addition, during the term, Mr. Cifu will be provided a car and driver consistent with past practice.

The employment agreement includes an acknowledgment that Mr. Cifu continues to be bound by the confidentiality and restrictive covenant provisions set forth in the Amended and Restated Virtu Financial LLC Agreement, which provides for confidentiality and non-disparagement restrictions, as well as non-compete and non-solicitation restrictions until the third anniversary on which Mr. Cifu ceases to be an officer, director or employee of the Company. The employment agreement also provides that the Company will pay as incurred, to the fullest extent permitted by law, all legal fees and expenses that Mr. Cifu incurs as a result of any contest (regardless of the outcome) by the Company, Mr. Cifu or others of the validity or enforceability of, or liability under, any provision of the employment agreement or any guarantee of performance of the employment agreement that arises in connection with or following a change in control, plus interest on any delayed payment at the applicable federal rate under Section 7872 of the Internal Revenue Code of 1986, as amended.

The employment agreement for Mr. Cifu provides for severance upon certain terminations of employment as described below under "Potential Payments Upon Termination of Employment or Change in Control."

Employment Agreement with Mr. Molluso

Virtu East entered into an employment agreement with Mr. Molluso on August 7, 2013 on an "at will" employment basis. The employment agreement provides for a salary of \$500,000 per year and a starting bonus of \$600,000 (which must be repaid upon a termination for "cause" (as defined in his employment agreement) or certain violations of his restrictive covenants). In addition, the employment agreement provides for eligibility to earn an annual cash bonus, as determined at the sole discretion of

Table of Contents

Virtu East. The employment agreement also provides for a grant of Class A-2 profits interests in Virtu Employee Holdco with the number of Class A-2 profits interests to be granted determined by dividing \$6,000,000 by the most recent valuation of a Class A-2 capital interest of Virtu Financial. In connection with our initial public offering, Mr. Molluso's Class A-2 profits interests in Virtu Employee Holdco were reclassified into common units of Virtu Employee Holdco and are currently 100% vested. Mr. Molluso is eligible to participate in all benefit programs of Virtu East available to similarly situated employees.

In connection with his employment agreement, Mr. Molluso entered into a restrictive covenant agreement that provides for confidentiality and non-disparagement restrictions and that he will not engage in any business that competes with Virtu or its affiliates, and he will not solicit or hire employees, consultants or members of Virtu East, its subsidiaries or its affiliates during his employment and for a period of three years thereafter. He is also subject to similar restrictive covenants under the limited liability company agreement of Virtu Employee Holdco (as amended and restated, "Virtu Employee Holdco Limited Liability Company Agreement").

Employment Agreement with Mr. Cavoli

Virtu East entered into an employment agreement with Mr. Cavoli on June 24, 2015 on an "at will" employment basis. The employment agreement provides for a salary of \$400,000 per year. In addition, the employment agreement provides for eligibility to earn an annual cash bonus, as determined at the sole discretion of Virtu East. The employment agreement also provided for a grant of restricted stock units with the number of restricted stock units to be granted determined by dividing \$2,000,000 by the closing price of the Company's Class A common stock on Mr. Cavoli's start date of September 28, 2015. Mr. Cavoli is eligible to participate in all benefit programs of Virtu East available to similarly situated employees.

In connection with his employment agreement, Mr. Cavoli entered into a restrictive covenant agreement that provides for confidentiality and non-disparagement restrictions and that he will not engage in any business that competes with Virtu or its affiliates, and he will not solicit or hire employees, consultants or members of Virtu East, its subsidiaries or its affiliates during his employment and for a period of eighteen (18) months thereafter.

Table of Contents**Outstanding Equity Awards at 2018 Fiscal Year-End**

The following table provides information about each of the outstanding awards of options to purchase our common stock, restricted shares of our common stock, and restricted stock units held by each named executive officer as of December 31, 2018.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Equity Incentive Plan Awards: Number of Unvested Stock Awards (#)	Equity Incentive Plan Awards: Market Value of Unvested Stock Awards (\$)(1)
Douglas A. Cifu		100,000(2)	\$ 19.00	4/15/2025	48,174(3)	\$ 1,240,962
					75,000(4)	\$ 1,455,000
Joseph Molluso		15,000(2)	\$ 19.00	4/15/2025	9,373(5)	\$ 241,457
					33,720(3)	\$ 868,627
					120,000(6)	\$ 3,091,200
Stephen Cavoli					23,442(7)	\$ 603,853
					1,875(5)	\$ 48,300

- (1) Market value is based on the closing price of a share of our Class A common stock on December 31, 2018 (the last trading day of Fiscal 2018) equal to \$25.76.
- (2) As of December 31, 2018, these stock options will fully vest on April 15, 2019.
- (3) These units will vest ratably on each of January 23, 2019, January 23, 2020, and January 23, 2021.
- (4) This amount represents the number of earned but unvested restricted shares under Mr. Cifu's Annual Equity Award that will vest on December 31, 2019.
- (5) These units will vest on December 31, 2019.
- (6) These units will vest in ratably on each of March 21, 2019, March 21, 2020, and March 21, 2021.
- (7) These units will vest on August 24, 2019.

Option Exercises and Stock Vested During 2018 Fiscal Year

The following table sets forth as to each of the named executive officers information on exercises of options to purchase our common stock, the vesting of restricted shares of our common stock, and the vesting of restricted stock units during 2018.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on	Value Realized on Exercise	Number of Shares Acquired on	Value Realized on Vesting

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	Exercise (#)	(\$)	Vesting (#)	(\$)
Douglas A. Cifu(1)	300,000	3,253,644	75,000	1,932,000
Joseph Molluso(2)	45,000	495,000	15,147	324,013
Stephen Cavoli(3)			25,317	558,991

-
- (1) For Mr. Cifu, this includes 93,334 options exercised on June 11, 2018, at a closing price of \$30.10, 99,218 options exercised on June 12, 2018, at a closing price of \$30.15, 82,521 options exercised on June 13, 2018, at a closing price of \$30.00 and 24,927 options exercised on June 15, 2018, at a closing price of \$30.30. In addition, Mr. Cifu had 75,000 shares of restricted stock vest on December 31, 2018, at a closing price of \$25.76.
- (2) For Mr. Molluso, this includes 45,000 options exercised on June 13, 2018 at a closing price of \$30.00, the vesting of 9,373 RSUs on January 3, 2018 at a closing price of \$18.70, and the vesting of 5,774 RSUs on December 31, 2018, at a closing price of \$25.76.
- (3) For Mr. Cavoli, this includes the vesting of 1,875 RSUs on January 3, 2018 at a closing price of \$18.70, and the vesting of 23,442 RSUs on August 24, 2018, at a closing price of \$22.35.

Table of Contents

Potential Payments Upon Termination of Employment or Change in Control

Severance Benefits

Under Mr. Cifu's employment agreement, if Mr. Cifu's employment is terminated by us without cause (as defined in the employment agreement), due to death or disability (as defined in the employment agreement), by the executive for good reason) as defined in the employment agreement, or due to the expiration of the term on the expiration date as a result of the Company's delivery of a notice of non-renewal of the term, then in addition to receiving his accrued amounts, Mr. Cifu will receive, subject to the execution of a release of claims: (A) severance pay in an aggregate amount equal to the greater of (x) one times his base salary and (y) an amount equal to the total amount of base salary that would otherwise have been payable through the remainder of the term (the "Severance Amount"); (B) continued health, dental, vision and life insurance benefits under the terms of our benefit plans for (x) twelve months or (y) the period from termination of employment through the remainder of the term, whichever is longer (the "Benefits Continuation Period"); and following the Benefits Continuation Period, continued participation in the Company's health, dental, vision and life insurance until the earlier of (i) Mr. Cifu's independents reaching the age of 26, (ii) Mr. Cifu or his spouse becoming eligible for Medicare, or (iii) Mr. Cifu becoming eligible for comparable coverage under another employer's benefit plans, subject to Mr. Cifu's payment of the full cost of such benefits; (C) remain eligible to earn shares of Class A common stock under his then-current Annual Equity Grant, and to the extent earned, a pro rata portion of such shares shall be deemed vested on the last day of the calendar year to which such award relates (the "Equity Acceleration"); (D) accelerated vesting of any earned but unvested shares of Class A common stock under the Annual Equity Grant granted in the year prior to the year of termination; and (5) 150,000 shares of fully vested Class A common stock.

Severance Benefits Upon a Change in Control Termination

If Mr. Cifu is terminated at any time within sixty days before, or 24 months following, a change in control, then Mr. Cifu is entitled to the payments and benefits described above, however (1) in lieu of the Severance Amount, Mr. Cifu will be entitled to receive two and a half times the sum of (x) his base salary and (y) the annual bonus (including any amounts deferred or satisfied through the grant of equity awards) most recently awarded to Mr. Cifu for a completed fiscal year of the Company; (2) the Benefits Continuation Period will be extended to (x) 24 months or (y) the period from termination of employment through the remainder of the term, whichever is longer; and (3) in lieu of the Equity Acceleration, Mr. Cifu will be entitled to a pro rata portion of all of the shares underlying his then-current Annual Equity Grant, which shall be deemed vested on the last day of the calendar year to which such award relates.

For purposes of the employment agreement, "change in control" generally means (i) the acquisition by any person of beneficial ownership of 30% or more (on a fully diluted basis) of either (A) the then outstanding shares of common stock of the Company or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote in the election of directors, but excluding acquisitions by the Company, Vincent Viola and his permitted transferees and their respective affiliates or any employee benefit plan sponsored by the Company or any of its affiliates, (ii) a change in the composition of the board of directors such that members of the board of directors during any consecutive 12-month period cease to constitute a majority of the board of directors, (iii) the approval by the stockholders of the Company of a plan of complete dissolution or liquidation of the Company, or (iv) the consummation of a reorganization, recapitalization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or sale, transfer or other disposition of all or substantially all of the business or assets of the Company to an entity that is not an affiliate of the Company.

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Table of Contents

If any payments to Mr. Cifu are determined to be so-called "golden parachute" payments subject to the excise tax under Section 4999 of the Code, then such payments will be reduced to the extent such reduction would result in the executive retaining a greater net after-tax amount than he would have retained had he received the full amount of the payments and paid the applicable excise tax.

Equity Acceleration

If Mr. Cifu's employment with us or our affiliates is terminated (A) by us or our affiliates without cause (as defined in the executive's employment agreement), (B) by the executive for good reason (as defined in the executive's employment agreement), (C) due to the executive's death or (D) by us or our affiliates due to Disability (as defined in the executive's employment agreement), then all of his respective unvested stock options fully accelerate and shall become immediately vested as of the effective date of such termination.

Under the Molluso Equity Award, if Mr. Molluso's employment with us or our affiliates is terminated (A) by us or our affiliates without cause (as defined in the 2015 Plan), (B) by the executive for good reason (as defined in the applicable award agreement), (C) due to the executive's death or (D) by us or our affiliates due to Disability (as defined in the 2015 Plan), then, a prorated portion of 40,000 RSUs will immediately vest and, in the event such termination is prior to the second anniversary of the date of grant, the RSUs scheduled to vest on the next anniversary of the date of grant shall immediately vest.

As of December 31, 2018, Mr. Cavoli was not entitled to any payments or benefits in connection with the termination of his employment or a change in control.

Name	Death, Disability, Termination Without Cause or for Good Reason (\$)	Death, Disability, Termination Without Cause or for Good Reason 60 Days Prior to or 24 Months Following a Change in Control (\$)	Non-Renewal by the Company (\$)	Non-Renewal by the Company 60 Days Prior to or 24 Months Following a Change in Control (\$)
Douglas A. Cifu				
<i>Severance</i>	3,977,318(1)	5,100,606(2)	3,977,318(1)	5,100,606(2)
<i>Restricted Stock</i>	5,796,000(3)	5,796,000(3)	5,796,000(3)	5,796,000(3)
<i>Stock Options</i>	676,000(4)	676,000(4)		
Joseph Molluso				
<i>Severance</i>				
<i>Restricted Stock Units</i>	1,834,959(5)	1,834,959(5)		
Stephen Cavoli				
<i>Severance</i>				
<i>Stock Options</i>				

- (1) Represents a cash severance payment of an amount equal to (i) base salary continuation and (ii) continued health, dental, vision and life insurance benefits through the remainder of the employment term (i.e., November 15, 2022)
- (2) Represents a cash severance payment of an amount equal to (i) 2.5 times the sum of (a) executive's base salary and (b) the most recently awarded annual bonus (which was \$1,000,000) and (ii) continued health, dental, vision and life insurance benefits through the remainder of the employment term (i.e., November 15, 2022)
- (3) Represents the value of (i) accelerated vesting of a pro rata portion of all of the shares underlying his then-current Annual Equity Grant based on shares earned and (ii) a grant of 150,000 shares of Class A common stock. As of December 31, 2018, Mr. Cifu had 75,000 earned but unvested shares of restricted stock underlying his then current-Annual Equity Grant which are deemed vested as of such date for purposes of clause (i) of the foregoing sentence
- (4) Represents the cash-out value of unvested options at the fair market value of our Class A common stock on December 31, 2018 (the last day of Fiscal 2018)
- (5)

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Represents the value of accelerated vesting of 71,233 RSUs at the fair market value of our Class A common stock on December 31, 2018 (the last day of Fiscal 2018)

Table of Contents**COMPENSATION OF DIRECTORS**

The compensation payable to our non-employee directors consists of the following:

an award of restricted stock units valued at \$135,000 at the time of grant upon re-election at each subsequent annual meeting of stockholders. The restricted stock units vest on the one-year anniversary of the date of grant;

an annual cash retainer of \$75,000, with no additional fees paid for board and committee meetings attended;

an annual cash retainer of \$150,000 for the non-executive chairman of the board of directors, \$25,000 for the chair of the Audit Committee, \$20,000 for the chair of the Compensation Committee, \$20,000 for the chair of the Nominating and Corporate Governance Committee and \$20,000 for the chair of the Risk Committee; and

an annual cash retainer of \$10,000 for members of the Audit Committee, \$7,500 for members of the Compensation Committee, \$7,500 for members of the Nominating and Corporate Governance Committee, and \$7,500 for members of the Risk Committee.

After four years of service non-employee directors must maintain a minimum stock ownership equal to \$225,000.

The following table sets forth compensation earned by our directors during the year ended December 31, 2018.

Name	Fees Earned or Paid in Cash \$(1)	Equity Award(s)(2)(3)	All Other Compensation (\$)	Total (\$)
John P. Abizaid	102,500	135,000		237,500
Douglas A. Cifu				
William F. Cruger, Jr	100,000	135,000		235,000
John D. Nixon	95,625	135,000		230,625
John F. (Jack) Sandner	95,625	135,000		223,964
Vincent Viola				
Michael T. Viola	82,500	135,000		217,500
Christopher C. Quick	92,500	135,000		227,500
Robert Greifeld	240,000	135,000		375,000
Glenn Hutchins	95,000	135,000		230,000
Joseph J. Grano, Jr.	85,000	135,000		220,000
David Urban	4,315	75,000		79,315

- (1) The amounts reported in this column represent the fees allocable to Fiscal 2018.
- (2) The amounts reported in this column represents the grant date fair value calculated in accordance with FASB ASC Topic 718 with respect to the grant of restricted stock units. Assumptions used in calculating these amounts are described in Note 17 of the Company's audited financial statements for the fiscal year ended December 31, 2018 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.
- (3) As of December 31, 2018, Gen. Abizaid and Messrs. Cruger, Grano, Greifeld, Hutchins, Nixon, Quick, and Sandner each held 4,998 unvested restricted stock units of the Company, and Michael Viola held 4,498 unvested restricted stock units of the Company, while Mr. Urban held no outstanding equity awards. In addition, as of December 31, 2018, Michael Viola held 60,000 stock options of the Company, of which 45,000 were vested and exercisable. For outstanding equity awards held by Mr. Cifu, please see "Outstanding Equity Awards at 2018 Fiscal Year-End" above.

Table of Contents

PROPOSAL 4: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Audit Committee has appointed PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019. Stockholder ratification of the appointment of PricewaterhouseCoopers LLP is not required by law. The ratification of the appointment of PricewaterhouseCoopers LLP requires the affirmative vote of a majority in voting power of shares of stock present in person or represented by proxy and entitled to vote thereon at the Annual Meeting. If the stockholders do not ratify the appointment of PricewaterhouseCoopers LLP, the Audit Committee will reconsider the appointment. Even if the stockholders ratify the appointment of PricewaterhouseCoopers LLP, the Audit Committee retains the discretion to appoint a different independent registered public accounting firm at any time if it determines that such a change would be in the best interests of Virtu and its stockholders.

Representatives of PricewaterhouseCoopers LLP are expected to attend the Annual Meeting, will have an opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The board of directors recommends that you vote FOR the ratification of PricewaterhouseCoopers LLP as our independent auditor for the fiscal year ending December 31, 2019.

Table of Contents

INFORMATION REGARDING INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP has served as the Company's independent registered public accounting firm since 2018. As discussed below under the caption "Change in Accountants", previously, Deloitte & Touche LLP served as the Company's independent registered public accounting firm since 2011.

The Audit Committee has the discretion to appoint a different independent registered public accounting firm at any time during the year if the Audit Committee believes that such a change would be in the best interest of the Company and our stockholders.

A representative of PricewaterhouseCoopers LLP is expected to be present at the Annual Meeting, will have an opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

Change in Accountants

The Audit Committee conducted a competitive process to determine the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018. The Audit Committee invited several firms to participate in this process, including Deloitte & Touche LLP, which firm audited the Company's financial statements for each fiscal year since 2011, up to and including the fiscal year ending December 31, 2017.

On June 4, 2018, the Audit Committee appointed PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018. On June 4, 2018, the Company dismissed Deloitte & Touche LLP as the Company's independent registered public accounting firm.

The reports of Deloitte & Touche LLP on the Company's financial statements for each of the two fiscal years ending December 31, 2017 and 2016 did not contain an adverse opinion or a disclaimer of opinion, nor were the reports on the Company's financial statements qualified or modified as to uncertainty, audit scope or accounting principles. In the fiscal years ending December 31, 2017 and 2016 and in the subsequent interim period through June 4, 2018, there were no "disagreements" (as that term is described in Item 304(a)(1)(iv) of Regulation S-K) between the Company and Deloitte & Touche LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of Deloitte & Touche LLP, would have caused Deloitte & Touche LLP to make reference to the subject matter of such disagreements in connection with its report on the Company's financial statements for such years. In the fiscal years ending December 31, 2017 and 2016, and in the subsequent interim period through June 4, 2018, there were no "reportable events" (as that term is defined in Item 304(a)(1)(v) of Regulation S-K).

During the fiscal years ending December 31, 2017 and 2016 and the subsequent period through June 4, 2018, neither the Company or anyone on its behalf consulted with PricewaterhouseCoopers LLP with respect to (a) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's consolidated financial statements, and neither a written report nor oral advice was provided to the Company that PricewaterhouseCoopers LLP concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue, or (b) any matter that was either the subject of a "disagreement" or a "reportable event" (as such terms are defined in Item 304(a)(1) of Regulation S-K).

The Company provided Deloitte & Touche LLP and PricewaterhouseCoopers LLP with a copy of the disclosures contained in this "Change in Accountants" section of the proxy statement.

Table of Contents**Pre-Approval Policy**

The policy of our Audit Committee is to review in advance, and pre-approve all audit or non-audit services to be provided by the Company's independent or other registered public accounting firm and to approve all related fees and other terms of engagement.

All of the audit-related, tax and all other services provided by PricewaterhouseCoopers LLP to us since their appointment in 2018, and by Deloitte & Touche LLP to us subsequent to our initial public offering in 2016 and until their dismissal in 2018, were approved by our Audit Committee, and none of such services were approved pursuant to the exception provided by Rule 2-01(c)(7)(i)(C) under Regulation S-X. All non-audit services provided subsequent to our initial public offering in 2016 were reviewed with the Audit Committee, which in each case concluded that the provision of such services by the relevant independent registered public accounting firm was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

Audit Fees

The following table presents aggregate fees billed to us for services rendered by our current independent registered public accounting firm, PricewaterhouseCoopers LLP, for the fiscal year ended December 31, 2018 and by our former independent registered public accounting firm, Deloitte & Touche LLP, for the fiscal year ended December 31, 2017.

	2018(1)	2017(2)
Audit fees	\$ 3,086,096	\$ 2,844,139
Audit-related fees		\$ 175,000
Tax fees	\$ 435,163	\$ 14,404
All other fees		
Total	\$ 3,521,259	\$ 3,033,542

(1) Services provided by PricewaterhouseCoopers LLP.

(2) Services provided by Deloitte & Touche LLP.

Audit Fees

This category includes the aggregate fees during 2018 and 2017 for audit services provided by our independent registered public accounting firm for the fiscal years ending December 31, 2018 and December 31, 2017, including for the audits of our annual consolidated financial statements, and reviews of each of the quarterly financial statements included in our Quarterly Reports on Form 10-Q.

Audit-Related Fees

This category includes the aggregate fees during 2018 and 2017 for services related to the performance of the audits and reviews described in the preceding paragraph that are not included in the Audit Fees category, including fees associated with (i) accounting consultation and due diligence related to certain transactions, (ii) services rendered in connection with our registration statements and (iii) the preparation and review of documents related to our securities offerings.

Tax Fees

This category includes the aggregate fees during 2018 and 2017 for professional tax services provided by the independent registered public accounting firm or its affiliates, including for tax compliance and tax advice.

All Other Fees

There were no other fees during 2018 and 2017.

Table of Contents

AUDIT COMMITTEE REPORT

The following is the report of the Audit Committee of Virtu Financial, Inc. (the "Company") with respect to our audited financial statements for the year ended December 31, 2018. The information contained in this report shall not be deemed "soliciting material" or otherwise considered "filed" with the SEC, and such information shall not be incorporated by reference into any future filing under the Exchange Act, except to the extent that we specifically incorporate such information by reference in such filing.

The Audit Committee hereby reports as follows:

1. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal accounting controls. The Audit Committee, in its oversight role, has reviewed and discussed the audited financial statements with the Company's management.
2. The Audit Committee has discussed with the Company's independent registered public accounting firm the overall scope of, and plans for, their audit. The Audit Committee has met with the independent registered public accounting firm to discuss the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board (United States) (the "PCAOB") in Rule 3200T regarding "Communication with Audit Committees", as may be modified or supplemented.
3. The Audit Committee has received the written disclosures and the letter from PricewaterhouseCoopers LLP required by applicable requirements of the PCAOB regarding PricewaterhouseCoopers LLP's communications with the Audit Committee concerning independence, and has discussed with PricewaterhouseCoopers LLP its independence. The Audit Committee has concluded that PricewaterhouseCoopers LLP's provision of audit and non-audit services to the Company and its affiliates is compatible with PricewaterhouseCoopers LLP's independence.
4. The Audit Committee has an established charter outlining the practices it follows. The charter is available on the Company's website at: <http://ir.virtu.com/corporate-governance/default.aspx>.
5. Based on the review and discussions referred to in paragraphs (1) through (4) above, the Audit Committee recommended to the Company's board of directors, and the board has approved, that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, for filing with the Securities and Exchange Commission.

AUDIT COMMITTEE

*William F. Cruger, Jr.
John F. (Jack) Sandner
Christopher C. Quick
Joseph J. Grano, Jr.*

36

Table of Contents

STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The tables below set forth information with respect to the beneficial ownership of our Class A common stock and Class B common stock by:

each of our directors and executive officers;

each person who is known to be the beneficial owner of more than 5% of the outstanding shares of our Class A common stock and Class B common stock; and

all of our directors and executive officers as a group.

We have four classes of authorized common stock. The Class A common stock and the Class C common stock have one vote per share. The Class B common stock and the Class D common stock have 10 votes per share. Shares of our common stock generally vote together as a single class on all matters submitted to a vote of our stockholders.

Prior to our initial public offering, our business was conducted through Virtu Financial and its subsidiaries. In a series of transactions that occurred in connection with our initial public offering, (i) we became the sole managing member of Virtu Financial and acquired non-voting common interest units of Virtu Financial Units, (ii) certain direct or indirect equityholders of Virtu Financial acquired shares of our Class A common stock and (iii) certain direct or indirect equityholders of Virtu Financial had their interests reclassified into Virtu Financial Units and acquired shares of our Class C common stock or, in the case of the Founder Member only, shares of our Class D common stock (collectively, the "Virtu Members"). Subject to certain restrictions, each Virtu Member, other than the Founder Member, has the right at any time to exchange any vested Virtu Financial Units (together with a corresponding number of shares of Class C common stock) for shares of Class A common stock on a one-for-one basis. Subject to certain restrictions, the Founder Member has the right at any time to exchange any Virtu Financial Units (together with a corresponding number of shares of Class D common stock) for shares of Class B common stock on a one-for-one basis. Shares of Class B common stock may be converted into shares of Class A common stock on a one-for-one basis.

The numbers of shares of Class A common stock beneficially owned and percentages of beneficial ownership set forth in the table below assume that (i) all Virtu Financial Units (together with the corresponding shares of Class C common stock) that have vested or will vest within 60 days have been exchanged for shares of Class A common stock, (ii) all Virtu Financial Units (together with the corresponding shares of Class D common stock) have been exchanged for shares of Class B common stock and (iii) all shares of Class B common stock have been converted into shares of Class A common stock. Subject to the assumptions in the preceding sentence, the amounts and percentages of Class A common stock and Class B common stock beneficially owned are reported on the basis of the regulations of the SEC governing the determination of beneficial ownership of securities. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities.

Except as set forth in the footnotes below, the percentages included in the following table are based on 107,744,527 shares of Class A common stock outstanding, 13,509,886 Virtu Financial Units and related shares of Class C common stock, and 69,091,740 Virtu Financial Units and related shares of Class D common stock outstanding as of April 12, 2019.

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Table of Contents

Unless otherwise indicated, the address for each beneficial owner listed below is: c/o Virtu Financial, Inc., One Liberty Plaza, 165 Broadway, New York, New York 10006.

Name of Beneficial Owner	Class A Common Stock (on a fully exchanged and converted basis)		Class B Common Stock (on a fully exchanged and converted basis)(1)		Combined Voting Power(2)
	Number	Percentage	Number	Percentage	Percentage
As of April 12, 2019 (unless otherwise stated in the footnotes below)					
Name of Beneficial Owner					
5% Equityholders					
TJMT Holdings LLC(3)	69,091,740	35.9%	69,091,740	100%	85.0%
Virtu Employee Holdco LLC(4)	8,088,185	4.2%			1.0%
Funds affiliated with Havelock Fund Investments Pte Ltd.(5)	16,880,503	8.8%			2.1%
The Vanguard Group(6)	6,069,815	3.2%			*
Ordinal Ventures, LLC (f/k/a North Island Ventures, LLC)(7)	40,064,103	20.9%			4.9%
Directors and Executive Officers					
Vincent Viola(3)(4)	78,113,675	40.6%	69,091,740	100%	86.2%
Douglas A. Cifu(8)	3,975,546	2.1%			*
Joseph Molluso(9)(10)	529,158	*			*
Stephen Cavoli	54,340	*			*
Robert Greinfeld(7)	40,070,950	20.8%			4.9%
David J. Urban					
William F. Cruger, Jr.(9)(10)	26,952	*			*
Joseph J. Grano, Jr.	5,135	*			*
Glenn Hutchins(7)	40,070,950	20.8%			4.9%
John D. Nixon(10)	24,894	*			*
Christopher C. Quick	13,984	*			*
John F. (Jack) Sandner(9)(10)	28,224	*			*
Michael T. Viola(3)	69,221,264	36.0%			85.1%
All directors and executive officers as a group (13 persons)	122,439,037	63.7%	69,091,740	100%	91.6%

*
Less than 1%

(1) Represents (i) 69,091,740 shares of Class A common stock issuable to the Founder Member at any time upon (a) the exchange of the 69,091,740 Virtu Financial Units and an equal number of shares of Class D common stock held by the Founder Member for shares of Class B common stock and (b) the conversion of such shares of Class B common stock into shares of Class A common stock.

(2) Percentage of combined voting power represents voting power with respect to all shares of our Class A common stock, Class B common stock, Class C common stock and Class D common stock, voting together as a single class. Each holder of Class B common stock and Class D common stock is entitled to 10 votes per share and each holder of Class A common stock and Class C common stock is entitled to one vote per share on all matters submitted to our stockholders for a vote. Our Class C common stock and Class D common stock do not have any of the economic rights (including rights to dividends and distributions upon liquidation) associated with our Class A common stock and Class B common stock.

(3) The Founder Member is owned by trusts for the benefit of family members of Mr. Viola and Teresa Viola, Mr. Viola's wife. Teresa Viola and Michael T. Viola, Mr. Viola's son and one of our directors, share dispositive control and voting control over the shares held by the Founder

Table of Contents

Member. As a result, Teresa Viola and Michael T. Viola beneficially own 69,091,740 Virtu Financial Units and an equal number of shares of Class D common stock held by the Founder Member. In addition, Michael T. Viola also holds 52,235 Virtu Financial Units and an equal number of shares of Class C common stock through Virtu Employee Holdco, directly owns 62,289 shares of Class A common stock and directly owns 15,000 shares of Class A common stock issuable upon the exercise of stock options that have vested or will vest within the next 60 days. Mr. Vincent Viola may be deemed to beneficially own the shares held by the Founder Member by virtue of his relationship with Teresa Viola.

- (4) Mr. Viola is the manager of Virtu Employee Holdco, a vehicle that holds Virtu Financial Units on behalf of certain directors and key employees, and exercises dispositive control and voting control over the 8,088,185 Class A common shares issuable upon the exchange of Virtu Financial Units and corresponding shares of Class C common stock held by Virtu Employee Holdco (including both vested and unvested Virtu Financial Units and corresponding shares of Class C common stock). Mr. Viola disclaims beneficial ownership in such shares except to the extent of his pecuniary interest therein. In addition, Mr. Viola directly owns 693,750 shares of Class A common stock issuable upon the exercise of stock options that have vested or will vest within the next 60 days, and may be deemed to beneficially own 69,091,740 Virtu Financial Units and an equal number of shares of Class D common stock, each beneficially owned by Teresa Viola, Mr. Viola's wife, that Mr. Viola may be deemed to beneficially own by virtue of their relationship.
- (5) Based upon statements in the Schedule 13D/A filed by Temasek Holdings (Private) Limited ("Temasek"), Fullerton Fund Investments Pte Ltd ("Fullerton"), Havelock Fund Investments Pte Ltd ("Havelock"), Temasek Capital (Private) Limited ("Temasek Capital"), Seletar Investments Pte Ltd ("Seletar") and Aranda Investments Pte. Ltd. ("Aranda") on May 15, 2018. Fullerton, through its ownership of Havelock, may be deemed to share voting and dispositive power over the 8,867,682 shares of Class A common stock beneficially owned or deemed to be beneficially owned by Havelock. Seletar, through its ownership of Aranda, and Temasek Capital, through its ownership of Seletar, each may be deemed to share voting and dispositive power over the 8,012,821 shares of Class A common stock beneficially owned or deemed to be beneficially owned by Aranda. Temasek, through its ownership of Fullerton and Temasek Capital, may be deemed to share voting and dispositive power over the shares of Class A common stock beneficially owned or deemed to be beneficially owned by Fullerton, Havelock, Temasek Capital, Seletar and Aranda. Havelock is the direct beneficial owner of 8,867,682 shares of Class A common stock, and Aranda is the direct beneficial owner of 8,012,821 shares of Class A common stock. The address of Temasek is 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.
- (6) Based upon statements in the Schedule 13G filed by The Vanguard Group ("Vanguard") on February 12, 2019. Vanguard has (i) sole voting power over 28,306 shares of Class A common stock; (ii) shared voting power over 4,033 shares of Class A common stock; (iii) sole dispositive power over 6,042,735 shares of Class A common stock; and (iv) shared dispositive power over 27,080 shares of Class A common stock. The address of Vanguard is 100 Vanguard Blvd., Malvern, PA 19355.
- (7) Based upon statements in the Schedule 13D filed by Ordinal Ventures, LLC (f/k/a North Island Ventures, LLC) ("Ventures"), Ordinal Holdings I, LP (f/k/a North Island Holdings I, LP) ("NIH"), Ordinal Holdings I GP, LP (f/k/a North Island Holdings I GP, LP) (the "NIH GP"), North Island, West Meadow Group LLC ("West Meadow"), Glenn H. Hutchins and Robert Greifeld (collectively, the "NIH Reporting Persons") on July 31, 2017. NIH GP is the sole general partner of NIH, and in that capacity, directs the operations of NIH. Ventures is the sole general partner of the NIH GP, and in that capacity, directs the operations of the NIH GP. Messrs. Hutchins and Greifeld, directly and/or indirectly through North Island and West Meadow, respectively, each controls 50% of the membership interests in Ventures and are executives of Ventures. North Island

Table of Contents

and West Meadow are controlled by Messrs. Hutchins and Greifeld, respectively. The NIH Reporting persons have shared voting and dispositive power over 39,725,979 shares of Class A common stock. The principal business address of each of Ventures and Messrs. Hutchins and Greifeld is 667 Madison Avenue, New York, NY 10065, and the principal business address of each of NIH and NIH GP is c/o Ordinal Ventures, LLC (f/k/a North Island Ventures, LLC), 667 Madison Avenue, New York, NY 10065. The principal business address of North Island is c/o Glenn H. Hutchins, 667 Madison Avenue, New York, NY 10065. The principal business address of West Meadow is c/o Robert Greifeld, 667 Madison Avenue, New York, NY 10065. Under the Stockholders Agreement (as defined below), the Founder Member has agreed to take all necessary action, including voting all of its shares of capital stock of the Company or providing written consent to cause the election of the directors nominated by NIH pursuant to the NIH Investment Agreement (as defined below) and in accordance with the terms of the Stockholders Agreement.

- (8) The Class A common stock owned by Mr. Cifu is comprised of (i) 100,000 shares of Class A common stock issuable upon the exercise of stock options that have vested or will vest within the next 60 days; (ii) 2,830,742 shares of Class A common stock issuable upon the exchange of Virtu Financial Units and corresponding shares of Class C common stock held by Mr. Cifu; (iii) 819,804 shares of Class A common stock issuable upon the exchange of Virtu Financial Units and corresponding shares of Class C common stock held by a trust for the benefit of the Cifu Family (the "Cifu Family Trust") and (iv) 225,000 shares of Class A common stock held by Mr. Cifu directly. Melissa B. Lautenberg, Mr. Cifu's wife, and Dr. Mitchel A. Lautenberg, Ms. Lautenberg's brother, share dispositive control and voting control over the shares held by the Cifu Family Trust. Mr. Cifu may be deemed to beneficially own the shares held by the Cifu Family Trust by virtue of his relationship with Ms. Lautenberg.
- (9) Includes Virtu Financial Units and corresponding shares of Class C common stock held by Virtu Employee Holdco on behalf of such person that have vested or will vest within the next 60 days.
- (10) Includes stock options or restricted stock units that have vested or will vest within the next 60 days.

Table of Contents

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Related Party Transactions Policies and Procedures

Upon the consummation of our initial public offering, we adopted a written Related Person Transaction Policy (the "Policy"), which sets forth our policy with respect to the review, approval, ratification and disclosure of all related person transactions by our Audit Committee. In accordance with the Policy, our Audit Committee has overall responsibility for implementation of and compliance with the Policy.

For purposes of the Policy, a "related person transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we were, are or will be a participant and the amount involved exceeded, exceeds or will exceed \$120,000 and in which any related person (as defined in the Policy) had, has or will have a direct or indirect material interest. A "related person transaction" does not include any employment relationship or transaction involving an executive officer and any related compensation resulting solely from that employment relationship that has been reviewed and approved by our board of directors or Compensation Committee.

The Policy requires that notice of a proposed related person transaction be provided to our legal department prior to entering into such transaction. If our legal department determines that such transaction is a related person transaction, the proposed transaction will be submitted to our Audit Committee for consideration at its next meeting. Under the Policy, our Audit Committee may approve only those related person transactions that are in, or not inconsistent with, our best interests. In the event that we become aware of a related person transaction that has not been previously reviewed, approved or ratified under the Policy and that is ongoing or is completed, the transaction will be submitted to the Audit Committee so that the Audit Committee may determine whether to ratify, rescind or terminate the related person transaction.

The Policy also provides that the Audit Committee reviews certain previously approved or ratified related person transactions that are ongoing to determine whether the related person transaction remains in our best interests and the best interests of our stockholders. Additionally, we make periodic inquiries of directors and executive officers with respect to any potential related person transaction of which they may be a party or of which they may be aware.

Amended and Restated Virtu Financial Limited Liability Company Agreement

In connection with reorganization transactions preceding our initial public offering (which we refer to as the "reorganization transactions"), we, Virtu Financial and each of the Virtu Members (including the Founder Member, Mr. Cifu, certain affiliates of Silver Lake Partners, an affiliate of Temasek and Virtu Employee Holdco) entered into the Amended and Restated Virtu Financial LLC Agreement (as it may be amended from time to time).

In accordance with the terms of the Amended and Restated Virtu Financial LLC Agreement, we operate our business through Virtu Financial and its subsidiaries. Pursuant to the terms of the Amended and Restated Virtu Financial LLC Agreement, so long as affiliates of Mr. Viola continue to own any Virtu Financial Units, shares of our Class A common stock or securities exchangeable or convertible into shares of our Class A common stock, we will not, without the prior written consent of such holders, engage in any business activity other than the management and ownership of Virtu Financial and its subsidiaries or own any assets other than securities of Virtu Financial and its subsidiaries and/or any cash or other property or assets distributed by or otherwise received from Virtu Financial and its subsidiaries, unless we determine in good faith that such actions or ownership are in the best interest of Virtu Financial. As the sole managing member of Virtu Financial, we have control over all of the affairs and decision-making of Virtu Financial. As such, through our officers and

Table of Contents

directors, we are responsible for all operational and administrative decisions of Virtu Financial and the day-to-day management of Virtu Financial's business. We will fund any dividends to our stockholders by causing Virtu Financial to make distributions to its equityholders, including the Founder Member, Virtu Employee Holdco, the Employee Trust and us, subject to the limitations imposed by our credit agreement.

The holders of Virtu Financial Units generally incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of Virtu Financial. Net profits and net losses of Virtu Financial are generally allocated to its members pro rata in accordance with the percentages of their respective ownership of Virtu Financial Units, though certain non-pro rata adjustments are made to reflect tax depreciation, amortization and other allocations. The Amended and Restated Virtu Financial LLC Agreement provides for cash distributions to the holders of Virtu Financial Units for purposes of funding their tax obligations in respect of the taxable income of Virtu Financial that is allocated to them. Generally, these tax distributions are computed based on Virtu Financial's estimate of the net taxable income of Virtu Financial allocable to each holder of Virtu Financial Units multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the non-deductibility of certain expenses and the character of our income).

The Amended and Restated Virtu Financial LLC Agreement provides that, except as otherwise determined by us, if at any time we issue a share of our Class A common stock or Class B common stock, other than pursuant to an issuance and distribution to holders of shares of our common stock of rights to purchase our equity securities under a "poison pill" or similar stockholders rights plan or pursuant to an employee benefit plan, the net proceeds received by us with respect to such share, if any, shall be concurrently invested in Virtu Financial (unless such shares were issued by us solely to fund (i) our ongoing operations or pay our expenses or other obligations or (ii) the purchase from a member of Virtu Financial of Virtu Financial Units (in which case such net proceeds shall instead be transferred to the selling member as consideration for such purchase)) and Virtu Financial shall issue to us one Virtu Financial Unit. Similarly, except as otherwise determined by us, Virtu Financial will not issue any additional Virtu Financial Units to us unless we issue or sell an equal number of shares of our Class A common stock or Class B common stock. Conversely, if at any time any shares of our Class A common stock or Class B common stock are redeemed, repurchased or otherwise acquired, Virtu Financial will redeem, repurchase or otherwise acquire an equal number of Virtu Financial Units held by us, upon the same terms and for the same price per security, as the shares of our Class A common stock or Class B common stock are redeemed, repurchased or otherwise acquired. In addition, Virtu Financial will not effect any subdivision (by any unit split, unit distribution, reclassification, reorganization, recapitalization or otherwise) or combination (by reverse unit split, reclassification, reorganization, recapitalization or otherwise) of the Virtu Financial Units unless it is accompanied by substantively identical subdivision or combination, as applicable, of each class of our common stock, and we will not effect any subdivision or combination of any class of our common stock unless it is accompanied by a substantively identical subdivision or combination, as applicable, of the Virtu Financial Units.

Pursuant to the terms of the Amended and Restated Virtu Financial LLC Agreement, certain members of management of Virtu Financial, including Messrs. Viola and Cifu, are subject to non-compete and non-solicitation obligations until the third anniversary of the date on which such person ceases to be an officer, director or employee of ours. The employee members of Virtu Employee Holdco are subject to similar restrictions under the limited liability company agreements of Virtu Employee Holdco.

Subject to certain exceptions, Virtu Financial will indemnify the Virtu Members against all losses or expenses arising from claims or other legal proceedings in which such person (in its capacity as such)

Table of Contents

may be involved or become subject to in connection with Virtu Financial's business or affairs or the Amended and Restated Virtu Financial LLC Agreement or any related document.

Virtu Financial may be dissolved only upon the first to occur of (i) the sale of substantially all of its assets or (ii) as determined by us. Upon dissolution, Virtu Financial will be liquidated and the proceeds from any liquidation will be applied and distributed in the following manner: (a) first, to creditors (including creditors who are members or affiliates of members) in satisfaction of all of Virtu Financial's liabilities (whether by payment or by making reasonable provision for payment of such liabilities, including the setting up of any reasonably necessary reserves) and (b) second, to the members in proportion to their vested Virtu Financial Units (after giving effect to any obligations of Virtu Financial to make tax distributions).

Historically, Virtu Financial has regularly declared and paid distributions on its equity interests to its members, including the Company. During the year ended December 31, 2018, Virtu Financial declared and paid \$396.5 million in cash distributions to its members (including our Founder Member, Employee Holdco, and our executive officers) in accordance with their ownership interests.

Exchange Agreement

At the closing of our initial public offering, we entered into an Exchange Agreement (the "Exchange Agreement") with Virtu Financial and each of the Virtu Members, pursuant to which they (or certain transferees thereof) have the right to exchange their Virtu Financial Units (along with the corresponding shares of our Class C common stock or Class D common stock, as applicable) for shares of our Class A common stock or Class B common stock, as applicable, on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. Upon exchange, each share of our Class C common stock or Class D common stock will be cancelled.

The Exchange Agreement provides that, in the event that a tender offer, share exchange offer, issuer bid, take-over bid, recapitalization or similar transaction with respect to our Class A common stock is proposed by us or our stockholders and approved by our board of directors or is otherwise consented to or approved by our board of directors, the Virtu Members will be permitted to participate in such offer by delivery of a notice of exchange that is effective immediately prior to the consummation of such offer. In the case of any such offer proposed by us, we are obligated to use our reasonable best efforts to enable and permit the Virtu Members to participate in such offer to the same extent or on an economically equivalent basis as the holders of shares of our Class A common stock without discrimination. In addition, we are obligated to use our reasonable best efforts to ensure that the Virtu Members may participate in each such offer without being required to exchange Virtu Financial Units and shares of our Class C common stock or Class D common stock.

The Exchange Agreement also provides that, in the event of a merger, consolidation or other business combination involving us (unless, following such transaction, all or substantially all of the holders of the voting power of us prior to such transaction continue to hold a majority of the voting power of the surviving entity (or its parent) in substantially the same proportions as immediately prior to such transaction) is approved by our board of directors and consummated in accordance with applicable law, we may require that each of the Virtu Members exchange with us all of such Virtu Member's Virtu Financial Units and shares of our Class C common stock or Class D common stock, as applicable, for aggregate consideration for each Virtu Financial Unit and share of our Class C common stock or Class D common stock, as applicable, that is equivalent to the consideration payable in respect of each share of our Class A common stock in such transaction. Such Virtu Members are not required to participate in such a transaction that is tax-free for our stockholders unless the transaction is also tax-free for such Virtu Members as holders of Virtu Financial Units and shares of our Class C common stock or Class D common stock, as applicable.

Table of Contents

Tax Receivable Agreements

In connection with the reorganization transactions, we acquired equity interests in Virtu Financial from certain affiliates of Silver Lake Partners and Temasek, as a result of a series of transactions (the "Mergers"). In addition, we used a portion of the net proceeds from our initial public offering to purchase Virtu Financial Units and corresponding shares of Class C common stock from certain direct or indirect equityholders of Virtu Financial. These purchases resulted in favorable tax basis adjustments to the assets of Virtu Financial that will be allocated to us and our subsidiaries. Future acquisitions of interests in Virtu Financial are expected to produce favorable tax attributes. In addition, future exchanges by certain direct or indirect equityholders of Virtu Financial of Virtu Financial Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, for shares of our Class A common stock or Class B common stock, respectively, are expected to produce favorable tax attributes. These tax attributes would not be available to us in the absence of those transactions. Both the existing and anticipated tax basis adjustments are expected to reduce the amount of tax that we would otherwise be required to pay in the future.

We entered into three tax receivable agreements with certain direct or indirect equityholders of Virtu Financial (one with the Founder Member, Virtu Employee Holdco, the Employee Trust, certain management members and other post-initial public offering investors), another with affiliates of Silver Lake Partners and affiliates of Temasek, and the other with other affiliates of Silver Lake Partners, that provide for the payment by us to certain direct or indirect equityholders of Virtu Financial (or their transferees of Virtu Financial Units or other assignees) of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize as a result of (i) any increase in tax basis in Virtu Financial's assets resulting from (a) the acquisition of equity interests in Virtu Financial from an affiliate of Silver Lake Partners and an affiliate of Temasek, and another affiliate of Temasek (the "Temasek Member") in the reorganization transactions (which represents the unamortized portion of the increase in tax basis in Virtu Financial's assets resulting from a prior acquisition of interests in Virtu Financial by an affiliate of Silver Lake Partners and Temasek, and the Temasek Member, (b) the purchases of Virtu Financial Units (along with the corresponding shares of our Class C common stock or Class D common stock, as applicable) from certain direct or indirect equityholders of Virtu Financial using a portion of the net proceeds from our initial public offering or in any future offering, (c) exchanges by certain direct or indirect equityholders of Virtu Financial of Virtu Financial Units (together with the corresponding shares of our Class C common stock or Class D common stock, as applicable) for shares of our Class A common stock or Class B common stock, as applicable, or (d) payments under the tax receivable agreements, (ii) any net operating losses available to us as a result of the Mergers and (iii) tax benefits related to imputed interest deemed arising as a result of payments made under the tax receivable agreements.

The actual increase in tax basis, as well as the amount and timing of any payments under these agreements, varies depending upon a number of factors, including the timing of exchanges by certain direct or indirect equityholders of Virtu Financial, the price of our Class A common stock at the time of the exchange, the extent to which such exchanges are taxable, the amount and timing of the taxable income we generate in the future and the tax rate then applicable and the portion of our payments under the tax receivable agreements constituting imputed interest.

The payments we are required to make under the tax receivable agreements could be substantial. We expect that, as a result of the amount of the increases in the tax basis of the tangible and intangible assets of Virtu Financial, assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize in full the potential tax benefit described above, future payments to certain direct or indirect equityholders of Virtu Financial are expected to aggregate to approximately \$147.0 million, ranging from approximately \$0.3 million to \$12.8 million per year over the next 15 years. Such payments will occur only after we have filed our U.S. federal and state income tax returns and realized the cash tax savings from the favorable tax attributes. Future payments under the

Table of Contents

tax receivable agreements in respect of subsequent exchanges would be in addition to these amounts and are expected to be substantial. The payments under the tax receivable agreements are not conditioned upon the certain direct or indirect equityholders of Virtu Financial's continued ownership of us.

In addition, although we are not aware of any issue that would cause the IRS to challenge the tax basis increases or other benefits arising under the tax receivable agreements, certain direct or indirect equityholders of Virtu Financial (or their transferees or other assignees) will not reimburse us for any payments previously made if such tax basis increases or other tax benefits are subsequently disallowed, except that any excess payments made to certain direct or indirect equityholders of Virtu Financial will be netted against future payments otherwise to be made under the tax receivable agreements, if any, after our determination of such excess. As a result, in such circumstances we could make payments to certain direct or indirect equityholders of Virtu Financial under the tax receivable agreements that are greater than our actual cash tax savings and may not be able to recoup those payments, which could negatively impact our liquidity.

In addition, the tax receivable agreements provide that, upon certain mergers, asset sales or other forms of business combination or certain other changes of control, our or our successor's obligations with respect to tax benefits would be based on certain assumptions, including that we or our successor would have sufficient taxable income to fully utilize the benefits arising from the increased tax deductions and tax basis and other benefits covered by the tax receivable agreements. As a result, upon a change of control, we could be required to make payments under a tax receivable agreement that are greater than or less than the specified percentage of our actual cash tax savings, which could negatively impact our liquidity.

In addition, the tax receivable agreements provide that in the case of a change in control of the Company, certain direct or indirect equityholders of Virtu Financial have the option to terminate the applicable tax receivable agreement, and we will be required to make a payment to such electing party in an amount equal to the present value of future payments (calculated using a discount rate equal to the lesser of 6.5% or LIBOR plus 100 basis points, which may differ from our, or a potential acquirer's, then-current cost of capital) under the tax receivable agreement, which payment would be based on certain assumptions, including those relating to our future taxable income. In these situations, our obligations under the tax receivable agreements could have a substantial negative impact on our, or a potential acquirer's, liquidity and could have the effect of delaying, deferring, modifying or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. These provisions of the tax receivable agreements may result in situations where certain direct or indirect equityholders of Virtu Financial have interests that differ from or are in addition to those of our other stockholders. In addition, we could be required to make payments under the tax receivable agreements that are substantial and in excess of our, or a potential acquirer's, actual cash savings in income tax.

Finally, because we are a holding company with no operations of our own, our ability to make payments under the tax receivable agreements is dependent on the ability of our subsidiaries to make distributions to us. Our credit agreement restricts the ability of our subsidiaries to make distributions to us, which could affect our ability to make payments under the tax receivable agreements. To the extent that we are unable to make payments under the tax receivable agreements for any reason, such payments will be deferred and will accrue interest until paid.

We made our first payment of \$7.0 million in February 2017, and our second payment of \$12.4 million in September 2018. During the year ended December 31, 2018, an affiliate of Temasek received \$2.6 million and an affiliate of a former stockholder received \$7.0 million.

Table of Contents

Indemnification Agreements

We entered into an indemnification agreement with each of our executive officers and directors that provides, in general, that we will indemnify them to the fullest extent permitted by law in connection with their service to us or on our behalf.

Agreements Entered into in Connection with the Acquisition of KCG Holdings, Inc.

Investment Agreements

In connection with financing the Acquisition of KCG Holdings, Inc. on July 20, 2017, on April 20, 2017, the Company entered into investment agreements with each of NIH (as amended and restated on June 23, 2017, the "NIH Investment Agreement") and Aranda Investments Pte. Ltd. (an affiliate of Temasek) (the "Temasek Investment Agreement", and together with the NIH Investment Agreement, the "Investment Agreements"). Pursuant to the Investment Agreements, the Company issued Class A common stock to each of Aranda (the "Temasek Investment") and NIH (the "NIH Investment"), each in private placement transactions exempt from the registration requirements of the Securities Act.

The NIH Investment Agreement provides NIH with certain board nomination rights determined based on the percentage of the Company's Class A common stock beneficially owned by NIH as of the closing of the NIH Investment. On July 20, 2017, pursuant to the NIH Investment Agreement, the Company's Executive Chairman and Founder, Vincent J. Viola, resigned as Executive Chairman and was appointed as Chairman Emeritus, Robert Greifeld was appointed as the new Chairman and Glenn Hutchins was appointed as a member of the Company's board of directors. Additionally, for so long as NIH beneficially owns at least 50% of its shares of the Company's Class A common stock held as of the closing of the NIH Investment, NIH is entitled to nominate two directors to serve on the Company's board of directors. When NIH beneficially owns less than 50% but at least 25% of its shares of the Company's Class A common stock held as of the closing of the NIH Investment, NIH is entitled to nominate one director. In addition, for so long as NIH is entitled to nominate one director, NIH is entitled to certain pre-emptive rights with respect to issuances of the Company's equity securities, subject to customary exceptions, based on the percentage of the Company's Class A common stock owned by NIH at the time of such issuance. The NIH Investment Agreement also provides NIH with certain information rights determined based on the percentage of the Company's Class A common stock beneficially owned by NIH as of the closing of the NIH Investment.

The Temasek Investment Agreement provides that, among other things, Aranda is entitled to certain board nomination rights, for so long as Aranda and its affiliates beneficially own at least 25% of its shares of Class A common stock held as of the closing of the Temasek Investment.

The summary of the NIH Investment Agreement is qualified in its entirety by the complete text of the NIH Investment Agreement, filed by the Company with the SEC on August 9, 2017, as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017. The summary of the Temasek Investment Agreement is qualified in its entirety by the complete text of the Temasek Investment Agreement, filed by the Company with the SEC on May 10, 2017, as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017.

Stockholders Agreement

In connection with entering into the Temasek Investment Agreement and NIH Investment Agreement, on April 20, 2017, the Company entered into a Stockholders Agreement (the "Stockholders Agreement") with the Founder Member, Temasek, Havelock Fund Investments Pte Ltd. (an affiliate of Temasek) ("Havelock" and, together with Aranda, the "Temasek Entities") and NIH. The Stockholders Agreement became effective on July 20, 2017.

Table of Contents

Under the Stockholders Agreement, the Founder Member has agreed to take all necessary action, including voting all of its shares of capital stock of the Company or providing written consent to cause the election of the directors nominated by NIH pursuant to the NIH Investment Agreement and in accordance with the terms of the Stockholders Agreement. To the extent the Founder Member transfers any of its shares to an affiliated transferee, that transferee would also be bound by the terms of the Stockholders Agreement. The Founder Member's obligations pursuant to NIH's director nomination right will automatically terminate upon the termination of NIH's right to appoint directors pursuant to the NIH Investment Agreement.

The Stockholders Agreement also grants the Temasek Entities and NIH with tag-along rights, subject to customary exceptions, in connection with a transfer of shares by the Founder Member that are subject to cutback provisions on a *pro rata* basis (in each case calculated based on a fully exchanged and converted to Class A common stock basis).

Amended and Restated Registration Rights Agreement

On April 15, 2015, prior to the consummation of the Company's initial public offering, the Company entered into a Registration Rights Agreement with the Founder Member, Havelock and certain direct or indirect or equityholders of the Company that granted the parties certain demand and registration rights. In connection with Temasek Investment and the NIH Investment, on April 20, 2017, the Company and the parties thereto executed the Amended and Restated Registration Rights Agreement (the "Amended and Restated Registration Rights Agreement") to add NIH and Temasek as parties and provide them with similar registration rights as Havelock. The Amended and Restated Registration Rights Agreement became effective on July 20, 2017.

Subject to several exceptions, including certain specified underwriter cutbacks and the Company's right to defer a demand registration under certain circumstances, the Founder Member, the Temasek Entities and NIH may require that the Company register for public resale under the Securities Act all common stock of the Company constituting registrable securities that they request be registered at any time so long as the securities requested to be registered in each registration statement have an aggregate estimated market value of least \$50 million. Under the Amended and Restated Registration Rights Agreement, the Company is not obligated to effectuate more than seven demand registrations for the Founder Member, more than four demand registrations for NIH or more than three demand registrations for the Temasek Entities. The Founder Member, the Temasek Entities and NIH also have the right to require the Company to register the sale of the registrable securities held by them on Form S-3, subject to offering size and other restrictions. In addition, the Company is required to file a shelf registration statement for the registrable securities, and cause such shelf registration statement to become effective within one year after the earlier of the closing of the Temasek Investment and the NIH Investment.

If the Founder Member, the Temasek Entities or NIH make a request for registration, the non-requesting parties to the Amended and Restated Registration Rights Agreement are entitled to piggyback registration rights in connection with the request. If such request is for an underwritten offering, the piggyback registration rights are subject to underwriter cutback provisions. In addition, the parties to the Amended and Restated Registration Rights Agreement are entitled to piggyback registration rights with respect to any registration initiated by the Company or another stockholder, and if any such registration is in the form of an underwritten offering, such piggyback registration rights are subject to underwriter cutback provisions.

Pursuant to the Amended and Restated Registration Rights Agreement, NIH will have no registration rights until after the first anniversary of the closing of the NIH Investment and during such period NIH shall be deemed to be an Excluded Party (as defined in the Amended and Restated Registration Rights Agreement) in connection with certain cutback provisions (unless the Founder

Table of Contents

Member exercises its registration rights under the Amended and Restated Registration Rights Agreement, in which case NIH will have the right to exercise its registration rights).

In connection with the registrations described above, the Company is required to indemnify any selling stockholders and the Company will bear all fees, costs and expenses (except underwriting commissions and discounts and fees and expenses of the selling stockholders and their internal and similar costs (other than the fees and expense of a single law firm representing the selling stockholders)).

Secondary Offerings

In May 2018, the Company and certain selling stockholders completed a public offering (the "May 2018 Secondary Offering") of 17,250,000 shares of Class A common stock by the Company and certain selling stockholders at a purchase price per share of \$27.16 (the offering price to the public of \$28.00 per share minus the underwriters' discount), which included the exercise in full by the underwriters of their option to purchase additional shares in the May 2018 Secondary Offering. The Company sold 10,518,750 shares of Class A common stock in the offering, the net proceeds of which were used to purchase an equivalent number of Virtu Financial Units and corresponding shares of Class D common stock from the Founder Member pursuant to that certain Member Purchase Agreement, entered into on May 15, 2018 by and between the Company and the Founder Member. The selling stockholders sold 6,731,250 shares of Class A common stock in the May 2018 Secondary Offering, including 2,081,250 shares of Class A common stock issued by the Company upon the exercise of vested stock options. The May 2018 Secondary Offering was registered under the Securities Act pursuant to a registration statement on Form S-3ASR (File No. 333-224683) filed with the SEC on May 4, 2018. The terms of the May 2018 Secondary Offering are described in a Prospectus dated May 8, 2018, as supplemented by a Prospectus Supplement dated May 10, 2018 (filed with the SEC on May 11, 2018). Pursuant to the Amended and Restated Registration Rights Agreement, the Company agreed to indemnify the selling stockholders (which include the Founder Member, Mr. Vincent Viola and Havelock) against certain liabilities and to pay certain expenses of the selling stockholders incurred in connection with the sale of Class A common stock in the May 2018 Secondary Offering, excluding underwriters' discounts and commissions. In connection with the May 2018 Secondary Offering, the Company paid \$710,097.53 in fees and related expenses.

In connection with the May 2018 Secondary Offering, the Company, the Founder Member, NIH, Havelock and Aranda entered into that certain Amendment No. 1 to the Amended and Restated Registration Rights Agreement to, among other things, add Mr. Vincent Viola and Mr. Michael Viola as parties to the Amended and Restated Registration Rights Agreement.

Other Transactions

The Company purchases network connections services from affiliates of Level 3 Communications ("Level 3"). Temasek has a significant ownership interest in Level 3. For the year ended December 31, 2018, the Company paid \$1.5 million to Level 3 for these services.

The Company purchases and leases computer equipment and maintenance and support from affiliates of Dell Inc. ("Dell"). Temasek and its affiliates have a significant ownership interest in Dell. For the year ended December 31, 2018, the Company paid \$0.8 million to Dell for these purchases and leases.

The Company purchases market data and software licenses from affiliates of Markit Group Holdings Limited ("MarkIt"). Temasek has a significant ownership interest in MarkIt. For the year ended December 31, 2018, the Company paid \$0.4 million to MarkIt for these services.

The Company provides brokerage services to The Vanguard Group, Inc. ("Vanguard"). As noted in footnote 6 to the beneficial ownership table on page 38 of this proxy statement, according to the Schedule 13G filed by Vanguard on May 15, 2018, Vanguard may have been deemed to have shared voting and dispositive power over more than five percent of the Company's then-issued and outstanding Class A common shares. For the year ended December 31, 2018, the Company received \$1.0 million from Vanguard for these services.

Table of Contents

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who own more than 10% of a registered class of the Company's equity securities (collectively, the "Reporting Persons"), to file with the SEC initial reports of stock ownership and reports of changes in ownership of common stock and other equity securities of the Company. All Reporting Persons are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. Based solely on our review of the copies of such forms received by us and upon written representations of the Reporting Persons received by us, we believe that there has been compliance with all Section 16(a) filing requirements applicable to such Reporting Persons with respect to fiscal 2018, except that (i) a Form 4 of Mr. Molluso reporting the vesting on December 31, 2018 of 15,148 RSUs and corresponding issuance of 7,085 shares of Class A common stock, net of withholding for taxes, was filed on January 25, 2019, (ii) a Form 4 of Mr. Michael Viola reporting the vesting on December 31, 2018 of 2,345 RSUs and corresponding issuance of 2,345 shares of Class A common stock was filed on January 25, 2019, (iii) a Form 4 of Mr. Cavoli reporting the vesting on August 24, 2018 of 23,441 RSUs and corresponding issuance of 15,478 shares of Class A common stock, net of withholding for taxes, was filed on August 31, 2018 and (iv) a Form 4 of Virtu Employee Holdco reporting the disposition of 824,965 shares of Class C common stock and corresponding Virtu Financial Units was filed late on April 19, 2019, in each case due to administrative oversight.

Table of Contents

ADDITIONAL INFORMATION

List of Stockholders of Record

In accordance with Delaware law, a list of the names of our stockholders of record entitled to vote at the Annual Meeting will be available for 10 days prior to the Annual Meeting for any purpose germane to the meeting, between the hours of 8:30 a.m. and 4:30 p.m. local time at our principal executive offices at One Liberty Plaza, 165 Broadway, New York, New York 10006. This list will also be available at the Annual Meeting.

Submission of Stockholder Proposals at Next Year's Annual Meeting

To be considered for inclusion in next year's proxy statement and form of proxy, stockholder proposals for the 2020 Annual Meeting of Stockholders must be received at our principal executive offices no later than the close of business on December 27, 2019, unless the date of the 2020 Annual Meeting of Stockholders is more than 30 days before or after June 4, 2020, in which case the stockholder proposal must be received a reasonable time before we begin to print and mail our proxy materials.

For any stockholder proposal or director nomination that is not submitted for inclusion in next year's proxy statement pursuant to the process set forth above, but is instead sought to be presented directly at the 2020 Annual Meeting of Stockholders, stockholders are advised to review our by-laws as they contain requirements with respect to advance notice of stockholder proposals and director nominations. To be timely, the notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the date of the prior year's annual meeting of stockholders. Accordingly, any such stockholder proposal or director nomination must be received between February 5, 2020 and March 6, 2020 for the 2020 Annual Meeting of Stockholders. In the event that the 2020 Annual Meeting of Stockholders is convened more than 30 days prior to or delayed by more than 60 days after June 4, 2020, notice by the stockholder, to be timely, must be received no earlier than the 120th day prior to the 2020 Annual Meeting of Stockholders and no later than the later of (1) the 90th day prior to the 2020 Annual Meeting of stockholders and (2) the tenth day following the day on which we notify stockholders of the date of the 2020 Annual Meeting of Stockholders, either by mail or other public disclosure.

All stockholder proposals should be sent to our principal executive offices at Virtu Financial, Inc., One Liberty Plaza, 165 Broadway, New York, New York 10006, Attn: Secretary.

We advise you to review our bylaws for additional stipulations relating to the process for identifying and nominating directors, including advance notice of director nominations and stockholder proposals. Copies of the pertinent bylaw provisions are available on request to the Secretary at the address set forth above.

Consideration of Stockholder-Recommended Director Nominees

Our Nominating and Corporate Governance Committee will consider director nominee recommendations submitted by our stockholders. Stockholders who wish to recommend a director nominee must submit their suggestions in the manner set forth in our bylaws as described above to our principal executive offices at Virtu Financial, Inc., One Liberty Plaza, 165 Broadway, New York, New York 10006, Attn: Secretary.

As required by our bylaws, stockholders should include the name, biographical information and other relevant information relating to the recommended director nominee, including, among other things, information that would be required to be included in the proxy statement filed in accordance with applicable rules under the Exchange Act and the written consent of the director nominee to be named as a nominee and to serve as a director if elected, among other requirements set forth in our

Table of Contents

bylaws. Evaluation of any such recommendations is the responsibility of the Nominating and Corporate Governance Committee. In the event of any stockholder recommendations, the Nominating and Corporate Governance Committee will evaluate the persons recommended in the same manner as other candidates.

Stockholder Communications with the Board of Directors

Any stockholder or other interested party may contact our board of directors as a group, our non-employee directors as a group, or any individual director by sending written correspondence to the following address: Virtu Financial, Inc., One Liberty Plaza, 165 Broadway, New York, New York 10006, Attn: Secretary.

Table of Contents
