UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2015

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 000-29961

ALLIANCEBERNSTEIN L.P.

(Exact name of registrant as specified in its charter)

Delaware	13-4064930
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1345 Avenue of the Americas, New York, N.Y.	10,105
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 969-1000

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Title of Class	Name of each exchange on which registered
units of limited partnership interest	None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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 definitions of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

(Check one):

Large accelerated filer o Accelerated filer o Non-accelerated filer ☒ Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No ☒

The number of units of limited partnership interest outstanding as of December 31, 2015 was 272,301,827.

DOCUMENTS INCORPORATED BY REFERENCE

This Form 10-K does not incorporate any document by reference.

Glossary of Certain Defined Terms

"**AB**" – AllianceBernstein L.P. (Delaware limited partnership formerly known as Alliance Capital Management L.P., "**Alliance Capital**"), the operating partnership, and its subsidiaries and, where appropriate, its predecessors, AB Holding and ACMC, Inc. and their respective subsidiaries.

"**AB Holding**" – AllianceBernstein Holding L.P. (Delaware limited partnership).

"**AB Holding Partnership Agreement**" – the Amended and Restated Agreement of Limited Partnership of AB Holding, dated as of October 29, 1999 and as amended February 24, 2006.

"**AB Holding Units**" – units representing assignments of beneficial ownership of limited partnership interests in AB Holding.

"**AB Partnership Agreement**" – the Amended and Restated Agreement of Limited Partnership of AB, dated as of October 29, 1999 and as amended February 24, 2006.

"**AB Units**" – units of limited partnership interest in AB.

"**AUM**" – AB's assets under management.

"**AXA**" – AXA (*société anonyme* organized under the laws of France) is the holding company for the AXA Group, a worldwide leader in financial protection. AXA operates primarily in Europe, North America, the Asia/Pacific regions and, to a lesser extent, in other regions, including the Middle East, Africa and Latin America. AXA has five operating business segments: Life and Savings, Property and Casualty, International Insurance, Asset Management and Banking.

"**AXA Equitable**" – AXA Equitable Life Insurance Company (New York stock life insurance company), a subsidiary of AXA Financial, and its subsidiaries other than AB and its subsidiaries.

"**AXA Financial**" – AXA Financial, Inc. (Delaware corporation), a subsidiary of AXA.

"**Bernstein Transaction**" – AB's acquisition of the business and assets of SCB Inc., formerly known as Sanford C. Bernstein Inc., and the related assumption of the liabilities of that business, completed on October 2, 2000.

"**Exchange Act**" – the Securities Exchange Act of 1934, as amended.

"**ERISA**" – the Employee Retirement Income Security Act of 1974, as amended.

"**General Partner**" – AllianceBernstein Corporation (Delaware corporation), the general partner of AB and AB Holding and a subsidiary of AXA Equitable, and, where appropriate, ACMC, LLC, its predecessor.

"**Investment Advisers Act**" – the Investment Advisers Act of 1940, as amended.

"**Investment Company Act**" – the Investment Company Act of 1940, as amended.

"**NYSE**" – the New York Stock Exchange, Inc.

"**Partnerships**" – AB and AB Holding together.

"**SEC**" – the United States Securities and Exchange Commission.

"**Securities Act**" – the Securities Act of 1933, as amended.

"**WPS Acquisition**" – AB's acquisition of W.P. Stewart & Co., Ltd. ("**WPS**"), a concentrated growth equity investment manager, completed on December 12, 2013.

PART I

Item 1. Business

*The words "**we**" and "**our**" in this Form 10-K refer collectively to AB and its subsidiaries, or to their officers and employees. Similarly, the words "**company**" and "**firm**" refer to AB. Cross-references are in italics.*

*We use "**global**" in this Form 10-K to refer to all nations, including the United States; we use "**international**" or "**non-U.S.**" to refer to nations other than the United States.*

*We use "**emerging markets**" in this Form 10-K to refer to countries included in the Morgan Stanley Capital International ("**MSCI**") emerging markets index, which are, as of December 31, 2015, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Malaysia, Mexico, Peru, the Philippines, Poland, Qatar, Russia, South Africa, South Korea, Taiwan, Thailand, Turkey and the United Arab Emirates.*

Clients

We provide research, diversified investment management and related services globally to a broad range of clients through our three buy-side distribution channels: Institutions, Retail and Private Wealth Management, and our sell-side business, Bernstein Research Services. *See "Distribution Channels" in this Item 1* for additional information.

As of December 31, 2015, 2014 and 2013, our AUM were $467 billion, $474 billion and $450 billion, respectively, and our net revenues for the years ended December 31, 2015, 2014 and 2013 were $3.0 billion, $3.0 billion and $2.9 billion, respectively. AXA, our parent company, and its subsidiaries, whose AUM consist primarily of fixed income investments, together constitute our largest client. Our affiliates represented approximately 24%, 23% and 23% of our AUM as of December 31, 2015, 2014 and 2013, respectively, and we earned approximately 5% of our net revenues from services we provided to our affiliates in each of 2015, 2014 and 2013, respectively. *See "Distribution Channels" below and "Assets Under Management" and "Net Revenues" in Item 7* for additional information regarding our AUM and net revenues.

Generally, we are compensated for our investment services on the basis of investment advisory and services fees calculated as a percentage of AUM. For additional information about our investment advisory and services fees, including performance-based fees, *see "Risk Factors" in Item 1A and "Net Revenues – Investment Advisory and Services Fees" in Item 7*.

Research

Our high-quality, in-depth research is the foundation of our business. We believe that our global team of research professionals, whose disciplines include economic, fundamental equity, fixed income and quantitative research, gives us a competitive advantage in achieving investment success for our clients. We also have experts focused on multi-asset strategies, wealth management and alternative investments.

Investment Services

Our broad range of investment services includes:

- Actively-managed equity strategies with global and regional portfolios across capitalization ranges and investment strategies, including value, growth and core equities;
- Actively-managed traditional and unconstrained fixed income strategies, including taxable and tax-exempt strategies;
- Passive management, including index and enhanced index strategies;
- Alternative investments, including hedge funds, fund of funds and private equity (*e.g.*, direct real estate investing); and
- Multi-asset services and solutions, including dynamic asset allocation, customized target-date funds and target-risk funds.

Our services span various investment disciplines, including market capitalization (*e.g.*, large-, mid- and small-cap equities), term (*e.g.*, long-, intermediate- and short-duration debt securities), and geographic location (*e.g.*, U.S., international, global, emerging markets, regional and local), in major markets around the world.

Our AUM by client domicile and investment service as of December 31, 2015, 2014 and 2013 were as follows:

By Client Domicile ($ in billions):

By Investment Service ($ in billions):

Distribution Channels

Institutions

We offer to our institutional clients, which include private and public pension plans, foundations and endowments, insurance companies, central banks and governments worldwide, and various of our affiliates, separately-managed accounts, sub-advisory relationships, structured products, collective investment trusts, mutual funds, hedge funds and other investment vehicles ("**Institutional Services**").

We manage the assets of our institutional clients pursuant to written investment management agreements or other arrangements, which generally are terminable at any time or upon relatively short notice by either party. In general, our written investment management agreements may not be assigned without the client's consent. For information about our institutional investment advisory and services fees, including performance-based fees, *see "Risk Factors" in Item 1A and "Net Revenues – Investment Advisory and Services Fees" in Item 7.*

AXA and its subsidiaries together constitute our largest institutional client. AXA's AUM accounted for approximately 33%, 32% and 31% of our institutional AUM as of December 31, 2015, 2014 and 2013, respectively, and approximately 26%, 22% and 22% of our institutional revenues for 2015, 2014 and 2013, respectively. No single institutional client other than AXA and its subsidiaries accounted for more than approximately 1% of our net revenues for the year ended December 31, 2015.

As of December 31, 2015, 2014 and 2013, Institutional Services represented approximately 51%, 50% and 50%, respectively, of our AUM, and the fees we earned from providing these services represented approximately 14%, 14% and 15% of our net revenues for 2015, 2014 and 2013, respectively. Our AUM and revenues are as follows:

Institutional Services Assets Under Management
(by Investment Service)

	December 31,			% Change	
	2015	2014	2013	2015-14	2014-13
	(in millions)				
Equity Actively Managed:					
U.S.	$ 9,156	$ 9,631	$ 8,438	(4.9)%	14.1 %
Global & Non-US	16,705	19,522	21,100	(14.4)	(7.5)
Total	25,861	29,153	29,538	(11.3)	(1.3)
Equity Passively Managed[1]:					
U.S.	15,573	16,196	14,111	(3.8)	14.8
Global & Non-US	4,250	5,818	6,555	(27.0)	(11.2)
Total	19,823	22,014	20,666	(10.0)	6.5
Total Equity	**45,684**	**51,167**	**50,204**	**(10.7)**	**1.9**
Fixed Income Taxable:					
U.S.	88,997	84,079	81,823	5.8	2.8
Global & Non-US	54,897	64,086	58,647	(14.3)	9.3
Total	143,894	148,165	140,470	(2.9)	5.5
Fixed Income Tax-Exempt:					
U.S.	1,920	1,796	1,611	6.9	11.5
Global & Non-US	—	—	—	—	—
Total	1,920	1,796	1,611	6.9	11.5
Fixed Income Passively Managed[1]:					
U.S.	64	67	63	(4.5)	6.3
Global & Non-US	18	185	194	(90.3)	(4.6)
Total	82	252	257	(67.5)	(1.9)
Total Fixed Income	**145,896**	**150,213**	**142,338**	**(2.9)**	**5.5**
Other[2]:					
U.S.	2,939	2,268	1,211	29.6	87.3
Global & Non-US	41,683	33,393	32,237	24.8	3.6
Total	44,622	35,661	33,448	25.1	6.6
Total:					
U.S.	118,649	114,037	107,257	4.0	6.3
Global & Non-US	117,553	123,004	118,733	(4.4)	3.6
Total	**$ 236,202**	**$ 237,041**	**$ 225,990**	**(0.4)**	**4.9**
Affiliated	$ 78,048	$ 75,241	$ 69,619	3.7	8.1
Non-affiliated	158,154	161,800	156,371	(2.3)	3.5
Total	**$ 236,202**	**$ 237,041**	**$ 225,990**	**(0.4)**	**4.9**

(1) Includes index and enhanced index services.
(2) Includes multi-asset solutions and services and certain alternative investments.

Revenues from Institutional Services
(by Investment Service)

	Years Ended December 31,			% Change	
	2015	2014	2013	2015-14	2014-13
	(in thousands)				
Equity Actively Managed:					
U.S.	$ 54,150	$ 54,176	$ 48,328	— %	12.1 %
Global & Non-US	88,096	88,777	98,552	(0.8)	(9.9)
Total	142,246	142,953	146,880	(0.5)	(2.7)
Equity Passively Managed[1]:					
U.S.	2,824	2,841	2,720	(0.6)	4.4
Global & Non-US	4,295	4,333	5,359	(0.9)	(19.1)
Total	7,119	7,174	8,079	(0.8)	(11.2)
Total Equity	**149,365**	**150,127**	**154,959**	**(0.5)**	**(3.1)**
Fixed Income Taxable:					
U.S.	94,272	92,250	96,125	2.2	(4.0)
Global & Non-US	125,888	125,596	117,041	0.2	7.3
Total	220,160	217,846	213,166	1.1	2.2
Fixed Income Tax-Exempt:					
U.S.	2,361	2,250	1,993	4.9	12.9
Global & Non-US	—	—	—	—	—
Total	2,361	2,250	1,993	4.9	12.9
Fixed Income Passively Managed[1]:					
U.S.	68	69	76	(1.4)	(9.2)
Global & Non-US	81	142	227	(43.0)	(37.4)
Total	149	211	303	(29.4)	(30.4)
Fixed Income Servicing[2]:					
U.S.	13,510	11,468	14,051	17.8	(18.4)
Global & Non-US	1,715	2,011	1,789	(14.7)	12.4
Total	15,225	13,479	15,840	13.0	(14.9)
Total Fixed Income	**237,895**	**233,786**	**231,302**	**1.8**	**1.1**
Other[3]:					
U.S.	23,130	18,643	11,952	24.1	56.0
Global & Non-US	24,070	30,551	39,895	(21.2)	(23.4)
Total	47,200	49,194	51,847	(4.1)	(5.1)
Total Investment Advisory and Services Fees:					
U.S.	190,315	181,697	175,245	4.7	3.7
Global & Non-US	244,145	251,410	262,863	(2.9)	(4.4)
	434,460	433,107	438,108	0.3	(1.1)
Distribution Revenues	248	340	305	(27.1)	11.5
Shareholder Servicing Fees	497	634	533	(21.6)	18.9
Total	**$ 435,205**	**$ 434,081**	**$ 438,946**	**0.3**	**(1.1)**
Affiliated	$ 113,162	$ 95,231	$ 96,729	18.8	(1.5)
Non-affiliated	322,043	338,850	342,217	(5.0)	(1.0)
Total	**$ 435,205**	**$ 434,081**	**$ 438,946**	**0.3**	**(1.1)**

(1) Includes index and enhanced index services.
(2) Fixed Income Servicing includes advisory-related services fees that are not based on AUM, including derivative transaction fees, capital purchase program-related advisory services and other fixed income advisory services.
(3) Includes multi-asset solutions and services and certain alternative services.

Retail

We provide investment management and related services to a wide variety of individual retail investors, both in the U.S. and internationally, through retail mutual funds we sponsor, mutual fund sub-advisory relationships, separately-managed account programs (*see below*), and other investment vehicles ("**Retail Products and Services**").

We distribute our Retail Products and Services through financial intermediaries, including broker-dealers, insurance sales representatives, banks, registered investment advisers and financial planners. These products and services include open-end and closed-end funds that are either (i) registered as investment companies under the Investment Company Act ("**U.S. Funds**"), or (ii) not registered under the Investment Company Act and generally not offered to United States persons ("**Non-U.S. Funds**" and, collectively with the U.S. Funds, "**AB Funds**"). They also include separately-managed account programs, which are sponsored by financial intermediaries and generally charge an all-inclusive fee covering investment management, trade execution, asset allocation, and custodial and administrative services. In addition, we provide distribution, shareholder servicing, transfer agency services and administrative services for our Retail Products and Services. *See "Net Revenues – Investment Advisory and Services Fees" in Item 7* for information about our retail investment advisory and services fees. *See Note 2 to our consolidated financial statements in Item 8* for a discussion of the commissions we pay to financial intermediaries in connection with the sale of open-end AB Funds.

Fees paid by the U.S. Funds are reflected in the applicable investment management agreement, which generally must be approved annually by the boards of directors or trustees of those funds, including by a majority of the independent directors or trustees. Increases in these fees must be approved by fund shareholders; decreases need not be, including any decreases implemented by a fund's directors or trustees. In general, each investment management agreement with the U.S. Funds provides for termination by either party at any time upon 60 days' notice.

Fees paid by Non-U.S. Funds are reflected in investment management agreements that continue until they are terminated. Increases in these fees generally must be approved by the relevant regulatory authority, depending on the domicile and structure of the fund, and Non-U.S. Fund shareholders must be given advance notice of any fee increases.

The mutual funds we sub-advise for AXA and its subsidiaries together constitute our largest retail client. They accounted for approximately 22%, 21% and 23% of our retail AUM as of December 31, 2015, 2014 and 2013, respectively, and approximately 3%, 3% and 2% of our retail net revenues as of 2015, 2014 and 2013, respectively.

Certain subsidiaries of AXA, including AXA Advisors, LLC ("**AXA Advisors**"), a subsidiary of AXA Financial, were responsible for approximately 4%, 3% and 2% of total sales of shares of open-end AB Funds in 2015, 2014 and 2013, respectively. UBS AG was responsible for approximately 8%, 11% and 12% of our open-end AB Fund sales in 2015, 2014 and 2013, respectively. Neither our affiliates nor UBS AG are under any obligation to sell a specific amount of AB Fund shares and each also sells shares of mutual funds that it sponsors and that are sponsored by unaffiliated organizations. No other entity accounted for 10% or more of our open-end AB Fund sales.

Most open-end U.S. Funds have adopted a plan under Rule 12b-1 of the Investment Company Act that allows the fund to pay, out of assets of the fund, distribution and service fees for the distribution and sale of its shares ("**Rule 12b-1 Fees**"). The open-end U.S. Funds have entered into such agreements with us, and we have entered into selling and distribution agreements pursuant to which we pay sales commissions to the financial intermediaries that distribute our open-end U.S. Funds. These agreements are terminable by either party upon notice (generally 30 days) and do not obligate the financial intermediary to sell any specific amount of fund shares.

As of December 31, 2015, retail U.S. Fund AUM were approximately $45 billion, or 29% of retail AUM, as compared to $49 billion, or 30%, as of December 31, 2014, and $47 billion, or 31%, as of December 31, 2013. Non-U.S. Fund AUM, as of December 31, 2015, totaled $52 billion, or 33% of retail AUM, as compared to $57 billion, or 36%, as of December 31, 2014, and $56 billion, or 36%, as of December 31, 2013.

Our Retail Services represented approximately 33%, 34% and 34% of our AUM as of December 31, 2015, 2014 and 2013, respectively, and the fees we earned from providing these services represented approximately 45%, 46% and 47% of our net revenues for the years ended December 31, 2015, 2014 and 2013, respectively. Our AUM and revenues are as follows:

Retail Services Assets Under Management
(by Investment Service)

	December 31,			% Change	
	2015	2014	2013	2015-14	2014-13
	(in millions)				
Equity Actively Managed:					
U.S.	$ 31,481	$ 29,449	$ 27,656	6.9 %	6.5 %
Global & Non-US	14,810	15,920	13,997	(7.0)	13.7
Total	46,291	45,369	41,653	2.0	8.9
Equity Passively Managed[1]:					
U.S.	19,483	21,268	21,514	(8.4)	(1.1)
Global & Non-US	6,664	6,600	6,615	1.0	(0.2)
Total	26,147	27,868	28,129	(6.2)	(0.9)
Total Equity	**72,438**	**73,237**	**69,782**	**(1.1)**	**5.0**
Fixed Income Taxable:					
U.S.	5,905	5,934	4,597	(0.5)	29.1
Global & Non-US	47,891	55,059	56,304	(13.0)	(2.2)
Total	53,796	60,993	60,901	(11.8)	0.2
Fixed Income Tax-Exempt:					
U.S.	11,601	10,432	8,243	11.2	26.6
Global & Non-US	12	14	14	(14.3)	—
Total	11,613	10,446	8,257	11.2	26.5
Fixed Income Passively Managed[1]:					
U.S.	5,010	4,917	4,531	1.9	8.5
Global & Non-US	4,492	4,483	4,179	0.2	7.3
Total	9,502	9,400	8,710	1.1	7.9
Total Fixed Income	**74,911**	**80,839**	**77,868**	**(7.3)**	**3.8**
Other[2]:					
U.S.	5,116	5,349	3,208	(4.4)	66.7
Global & Non-US	1,903	2,072	2,132	(8.2)	(2.8)
Total	7,019	7,421	5,340	(5.4)	39.0
Total:					
U.S.	78,596	77,349	69,749	1.6	10.9
Global & Non-US	75,772	84,148	83,241	(10.0)	1.1
Total	**$ 154,368**	**$ 161,497**	**$ 152,990**	**(4.4)**	**5.6**
Affiliated	$ 33,364	$ 34,693	$ 35,194	(3.8)	(1.4)
Non-affiliated	121,004	126,804	117,796	(4.6)	7.6
Total	**$ 154,368**	**$ 161,497**	**$ 152,990**	**(4.4)**	**5.6**

(1) Includes index and enhanced index services.
(2) Includes multi-asset solutions and services and certain alternative investments.

Revenues from Retail Services
(by Investment Service)

	Years Ended December 31,			% Change	
	2015	2014	2013	2015-14	2014-13
	(in thousands)				
Equity Actively Managed:					
U.S.	$ 184,904	$ 182,008	$ 134,311	1.6 %	35.5 %
Global & Non-US	105,768	94,491	96,338	11.9	(1.9)
Total	290,672	276,499	230,649	5.1	19.9
Equity Passively Managed[1]:					
U.S.	8,188	10,066	10,957	(18.7)	(8.1)
Global & Non-US	5,268	6,924	4,670	(23.9)	48.3
Total	13,456	16,990	15,627	(20.8)	8.7
Total Equity	**304,128**	**293,489**	**246,276**	**3.6**	**19.2**
Fixed Income Taxable:					
U.S.	20,294	20,680	16,074	(1.9)	28.7
Global & Non-US	393,315	429,409	483,171	(8.4)	(11.1)
Total	413,609	450,089	499,245	(8.1)	(9.8)
Fixed Income Tax-Exempt:					
U.S.	44,916	38,317	35,993	17.2	6.5
Global & Non-US	73	78	78	(6.4)	—
Total	44,989	38,395	36,071	17.2	6.4
Fixed Income Passively Managed[1]:					
U.S.	5,663	2,836	2,153	99.7	31.7
Global & Non-US	8,201	8,438	8,605	(2.8)	(1.9)
Total	13,864	11,274	10,758	23.0	4.8
Total Fixed Income	**472,462**	**499,758**	**546,074**	**(5.5)**	**(8.5)**
Other[2]:					
U.S.	71,129	64,452	22,819	10.4	182.4
Global & Non-US	8,334	9,277	9,785	(10.2)	(5.2)
Total	79,463	73,729	32,604	7.8	126.1
Total Investment Advisory and Services Fees:					
U.S.	335,094	318,359	222,307	5.3	43.2
Global & Non-US	520,959	548,617	602,647	(5.0)	(9.0)
	856,053	866,976	824,954	(1.3)	5.1
Distribution Revenues	423,410	440,961	461,944	(4.0)	(4.5)
Shareholder Servicing Fees	83,078	89,198	89,472	(6.9)	(0.3)
Total	**$ 1,362,541**	**$ 1,397,135**	**$ 1,376,370**	**(2.5)**	**1.5**
Affiliated	$ 47,663	$ 47,910	$ 43,264	(0.5)	10.7
Non-affiliated	1,314,878	1,349,225	1,333,106	(2.5)	1.2
Total	**$ 1,362,541**	**$ 1,397,135**	**$ 1,376,370**	**(2.5)**	**1.5**

(1) Includes index and enhanced index services.
(2) Includes multi-asset solutions and services and certain alternative investments.

Private Wealth Management

We offer to our private wealth clients, which include high-net-worth individuals and families, trusts and estates, charitable foundations, partnerships, private and family corporations, and other entities, separately-managed accounts, hedge funds, mutual funds and other investment vehicles ("**Private Wealth Services**").

We manage these accounts pursuant to written investment advisory agreements, which generally are terminable at any time or upon relatively short notice by any party and may not be assigned without the client's consent. For information about our investment advisory and services fees, including performance-based fees, *see "Risk Factors" in Item 1A and "Net Revenues – Investment Advisory and Services Fees" in Item 7*.

Our Private Wealth Services represented approximately 16% of our AUM as of each of December 31, 2015, 2014 and 2013, and the fees we earned from providing these services represented approximately 23%, 22% and 20% of our net revenues for 2015, 2014 and 2013, respectively. Our AUM and revenues are as follows:

Private Wealth Services Assets Under Management
(by Investment Service)

	December 31,			% Change	
	2015	2014	2013	2015-14	2014-13
	(in millions)				
Equity Actively Managed:					
U.S.	$ 22,873	$ 22,842	$ 21,620	0.1 %	5.7 %
Global & Non-US	15,595	15,125	15,003	3.1	0.8
Total	38,468	37,967	36,623	1.3	3.7
Equity Passively Managed[1]:					
U.S.	177	172	83	2.9	107.2
Global & Non-US	210	402	397	(47.8)	1.3
Total	387	574	480	(32.6)	19.6
Total Equity	**38,855**	**38,541**	**37,103**	**0.8**	**3.9**
Fixed Income Taxable:					
U.S.	6,742	7,396	7,468	(8.8)	(1.0)
Global & Non-US	3,053	2,871	2,128	6.3	34.9
Total	9,795	10,267	9,596	(4.6)	7.0
Fixed Income Tax-Exempt:					
U.S.	19,973	19,401	18,843	2.9	3.0
Global & Non-US	3	3	2	—	50.0
Total	19,976	19,404	18,845	2.9	3.0
Fixed Income Passively Managed[1]:					
U.S.	4	5	11	(20.0)	(54.5)
Global & Non-US	372	402	357	(7.5)	12.6
Total	376	407	368	(7.6)	10.6
Total Fixed Income	**30,147**	**30,078**	**28,809**	**0.2**	**4.4**
Other[2]:					
U.S.	2,439	1,902	1,375	28.2	38.3
Global & Non-US	5,429	4,968	4,144	9.3	19.9
Total	7,868	6,870	5,519	14.5	24.5
Total:					
U.S.	52,208	51,718	49,400	0.9	4.7
Global & Non-US	24,662	23,771	22,031	3.7	7.9
Total	**$ 76,870**	**$ 75,489**	**$ 71,431**	**1.8**	**5.7**

(1) Includes index and enhanced index services.
(2) Includes multi-asset solutions and services and certain alternative investments.

Revenues From Private Wealth Services
(by Investment Service)

	Years Ended December 31,			% Change	
	2015	2014	2013	2015-14	2014-13
	(in thousands)				
Equity Actively Managed:					
U.S.	$ 260,997	$ 250,415	$ 211,927	4.2 %	18.2 %
Global & Non-US	170,810	169,472	153,062	0.8	10.7
Total	431,807	419,887	364,989	2.8	15.0
Equity Passively Managed[1]:					
U.S.	1,229	695	316	76.8	119.9
Global & Non-US	834	1,839	1,800	(54.6)	2.2
Total	2,063	2,534	2,116	(18.6)	19.8
Total Equity	**433,870**	**422,421**	**367,105**	**2.7**	**15.1**
Fixed Income Taxable:					
U.S.	36,748	39,811	44,260	(7.7)	(10.1)
Global & Non-US	20,429	15,778	13,029	29.5	21.1
Total	57,177	55,589	57,289	2.9	(3.0)
Fixed Income Tax-Exempt:					
U.S.	106,161	102,509	104,867	3.6	(2.2)
Global & Non-US	35	27	18	29.6	50.0
Total	106,196	102,536	104,885	3.6	(2.2)
Fixed Income Passively Managed[1]:					
U.S.	11	9	88	22.2	(89.8)
Global & Non-US	4,299	3,446	3,105	24.8	11.0
Total	4,310	3,455	3,193	24.7	8.2
Total Fixed Income	**167,683**	**161,580**	**165,367**	**3.8**	**(2.3)**
Other[2]:					
U.S.	22,177	16,566	12,699	33.9	30.5
Global & Non-US	59,594	57,600	40,872	3.5	40.9
Total	81,771	74,166	53,571	10.3	38.4
Total Investment Advisory and Services Fees:					
U.S.	427,323	410,005	374,157	4.2	9.6
Global & Non-US	256,001	248,162	211,886	3.2	17.1
Total	**683,324**	**658,167**	**586,043**	**3.8**	**12.3**
Distribution Revenues	3,498	3,669	3,175	(4.7)	15.6
Shareholder Servicing Fees	3,031	2,488	2,140	21.8	16.3
Total	**$ 689,853**	**$ 664,324**	**$ 591,358**	**3.8**	**12.3**

(1) Includes index and enhanced index services.
(2) Includes multi-asset solutions and services and certain alternative investments.

Bernstein Research Services

We offer high-quality fundamental research, quantitative services and brokerage-related services in equities and listed options to institutional investors, such as pension fund, hedge fund and mutual fund managers, and other institutional investors ("**Bernstein Research Services**"). We serve our clients, which are based in the United States and in other major markets around the world, through our trading professionals, who primarily are based in New York, London and Hong Kong, and our sell-side analysts, who provide fundamental company and industry research along with quantitative research into securities valuation and factors affecting stock-price movements.

We earn revenues for providing investment research to, and executing brokerage transactions for, institutional clients. These clients compensate us principally by directing us to execute brokerage transactions on their behalf, for which we earn commissions. These services accounted for approximately 16%, 16% and 15% of our net revenues for the years ended December 31, 2015, 2014 and 2013, respectively.

For information regarding trends in fee rates charged for brokerage transactions, *see "Risk Factors" in Item 1A.*

Our Bernstein Research Services revenues are as follows:

Revenues From Bernstein Research Services

	Years Ended December 31,			% Change	
	2015	2014	2013	2015-14	2014-13
	(in thousands)				
Bernstein Research Services	**$ 493,463**	**$ 482,538**	**$ 445,083**	**2.3%**	**8.4%**

Custody

Our U.S.-based broker-dealer subsidiary acts as custodian for the majority of our Private Wealth Management AUM and some of our Institutions AUM. Other custodial arrangements are maintained by client-designated banks, trust companies, brokerage firms or custodians.

Employees

As of December 31, 2015, our firm had 3,600 full-time employees, representing a 3.2% increase compared to the end of 2014. We consider our employee relations to be good.

Service Marks

We have registered a number of service marks with the U.S. Patent and Trademark Office and various foreign trademark offices, including the mark "AllianceBernstein". The logo *set forth below* and "Ahead of Tomorrow" are service marks of AB:

In January 2015, we established two new brand identities. Although the legal names of our corporate entities did not change, our company, and our Institutions and Retail businesses, now are referred to as "AB". Private Wealth Management and Bernstein Research Services now are referred to as "AB Bernstein". Also, we adopted the logo and "Ahead of Tomorrow" service marks *described above*.

In connection with the Bernstein Transaction, we acquired all of the rights in, and title to, the Bernstein service marks, including the mark "Bernstein".

In connection with the WPS Acquisition, we acquired all of the rights in, and title to, the WPS service marks, including the logo "WPSTEWART". *See "W.P. Stewart" in this Item 1* for information regarding the WPS Acquisition.

Regulation

Virtually all aspects of our business are subject to various federal and state laws and regulations, rules of various securities regulators and exchanges, and laws in the foreign countries in which our subsidiaries conduct business. These laws and regulations primarily are intended to protect clients and fund shareholders and generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the carrying on of business for failure to comply with such laws and regulations. Possible sanctions that may be imposed on us include the suspension of individual employees, limitations on engaging in business for specific periods, the revocation of the registration as an investment adviser or broker-dealer, censures and fines.

AB, AB Holding, the General Partner and five of our subsidiaries (Sanford C. Bernstein & Co., LLC ("**SCB LLC**"), AllianceBernstein Global Derivatives Corporation ("**Global Derivatives**"**)**, AB Private Credit Investors LLC, WPS and W.P. Stewart Asset Management LLC) are registered with the SEC as investment advisers under the Investment Advisers Act. Additionally, AB Holding is an NYSE-listed company and, accordingly, is subject to applicable regulations promulgated by the NYSE. In addition, AB, SCB LLC and Global Derivatives are registered with the Commodity Futures Trading Commission ("**CFTC**") as commodity pool operators and commodity trading advisers; SCB LLC also is registered with the CFTC as a futures commissions merchant.

Each U.S. Fund is registered with the SEC under the Investment Company Act and each Non-U.S. Fund is subject to the laws in the jurisdiction in which the fund is registered. For example, our platform of Luxembourg-based funds operates pursuant to Luxembourg laws and regulations, including Undertakings for the Collective Investment in Transferable Securities Directives, and is authorized and supervised by the Commission de Surveillance du Secteur Financier ("**CSSF**"), the primary regulator in Luxembourg. AllianceBernstein Investor Services, Inc., one of our subsidiaries, is registered with the SEC as a transfer and servicing agent.

SCB LLC and another of our subsidiaries, AllianceBernstein Investments, Inc., are registered with the SEC as broker-dealers, and both are members of the Financial Industry Regulatory Authority. In addition, SCB LLC is a member of the NYSE and other principal U.S. exchanges.

Many of our subsidiaries are subject to the oversight of regulatory authorities in the jurisdictions outside the United States in which they operate, including the European Securities and Markets Authority, the Financial Conduct Authority in the U.K., the CSSF in Luxembourg, the Financial Services Agency in Japan, the Securities & Futures Commission in Hong Kong, the Monetary Authority of Singapore, the Financial Services Commission in South Korea and the Financial Supervisory Commission in Taiwan. While these regulatory requirements often may be comparable to the requirements of the SEC and other U.S. regulators, they are sometimes more restrictive and may cause us to incur substantial expenditures of time and money related to our compliance efforts.

Iran Threat Reduction and Syria Human Rights Act

AB, AB Holding and their global subsidiaries had no transactions or activities requiring disclosure under the Iran Threat Reduction and Syria Human Rights Act ("**Iran Act**"), nor were they involved in the AXA Group matters *described immediately below*.

The non-U.S. based subsidiaries of AXA operate in compliance with applicable laws and regulations of the various jurisdictions in which they operate, including applicable international (United Nations and European Union) laws and regulations. While AXA Group companies based and operating outside the United States generally are not subject to U.S. law, as an international group, AXA has in place policies and standards (including the AXA Group International Sanctions Policy) that apply to all AXA Group companies worldwide and often impose requirements that go well beyond local law. For additional information regarding AXA, *see "Principal Security Holders" in Item 12*.

AXA has informed us that AXA Konzern AG ("**AXA Konzern**"), an AXA insurance subsidiary organized under the laws of Germany, had a German client designated under Executive Order 13382. The client had a pension savings contract with AXA Konzern with an annual premium of approximately $15,000. The related annual net profit associated with this contract, which is difficult to calculate with precision, was estimated to be $1,500. This contract was terminated in March 2015.

AXA also has informed us that AXA Konzern provides car insurance to two diplomats based at the Iranian embassy in Berlin, Germany. The total annual premium of these policies is approximately $13,000 and the annual net profit arising from these

policies, which is difficult to calculate with precision, is estimated to be $1,950. These policies were underwritten by a broker who specializes in providing insurance coverage for diplomats. Provision of motor vehicle insurance is mandatory in Germany and cannot be cancelled until the policies expire.

In addition, AXA has informed us that AXA Insurance Ireland, an AXA insurance subsidiary, provides statutorily required car insurance under three separate policies to the Iranian embassy in Dublin, Ireland. AXA has informed us that compliance with the Declined Cases Agreement of the Irish Government prohibits the cancellation of these policies unless another insurer is willing to assume the coverage. The total annual premium for these policies is approximately $3,750 and the annual net profit arising from these policies, which is difficult to calculate with precision, is estimated to be $563.

Also, AXA has informed us that AXA Sigorta, a subsidiary of AXA organized under the laws of Turkey, provides car insurance coverage for vehicle pools of the Iranian General Consulate and the Iranian embassy in Istanbul, Turkey. Motor liability insurance coverage is mandatory in Turkey and cannot be cancelled unilaterally. The total annual premium in respect of these policies is approximately $3,150 and the annual net profit, which is difficult to calculate with precision, is estimated to be $473.

In addition, AXA has informed us that AXA Ukraine, an AXA insurance subsidiary, provides car insurance for the Attaché of the Embassy of Iran in Ukraine. Motor liability insurance coverage cannot be cancelled under Ukrainian law. The total annual premium in respect of this policy is approximately $1,000 and the annual net profit, which is difficult to calculate with precision, is estimated to be $150.

Lastly, AXA previously informed us about a pension contract that had been in place between a subsidiary in Hong Kong, AXA China Region Trustees Limited ("**AXA CRT**"), and an entity listed as a Specially Designated National ("**SDN**") with the identifier [IRAN] by the Office of Foreign Assets Control ("**OFAC**"). The pension contract was entered into in May 2012 and the individual enrolled in the pension contract was listed by OFAC as a designated SDN with the identifier [IRAN] in May 2013. Local authorities had informed AXA CRT that the pension contract could not be cancelled. In May 2015, however, the individual enrolled in the pension contract permanently departed Hong Kong and, as a result, claimed withdrawal of any accrued pension benefits. The annual pension contributions received under this pension contract had totaled approximately $7,800 and the related net profit, which is difficult to calculate with precision, was estimated to be $780.

The aggregate annual premiums for the above-referenced insurance policies and pension contracts are approximately $43,700, representing approximately 0.00004% of AXA's 2015 consolidated revenues, which are likely to be approximately $100 billion. The related net profit, which is difficult to calculate with precision, is estimated to be $5,416, representing approximately 0.0001% of AXA's 2015 aggregate net profit.

History and Structure

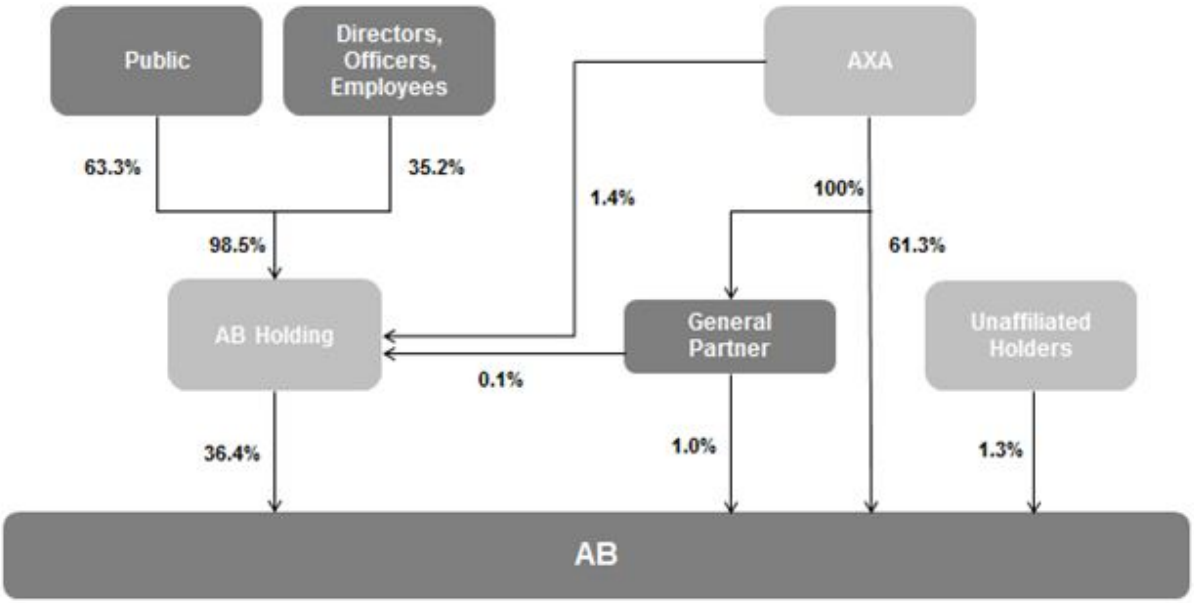
We have been in the investment research and management business for nearly 50 years. Alliance Capital was founded in 1971 when the investment management department of Donaldson, Lufkin & Jenrette, Inc. (since November 2000, a part of Credit Suisse Group) merged with the investment advisory business of Moody's Investor Services, Inc. Bernstein was founded in 1967.

In April 1988, AB Holding "went public" as a master limited partnership. AB Holding Units, which trade under the ticker symbol "AB", have been listed on the NYSE since that time.

In October 1999, AB Holding reorganized by transferring its business and assets to AB, a newly-formed operating partnership, in exchange for all of the AB Units ("**Reorganization**"). Since the date of the Reorganization, AB has conducted the business formerly conducted by AB Holding and AB Holding's activities have consisted of owning AB Units and engaging in related activities. Unlike AB Holding Units, AB Units do not trade publicly and are subject to significant restrictions on transfer. The General Partner is the general partner of both AB and AB Holding.

In October 2000, our two legacy firms, Alliance Capital and Bernstein, combined, bringing together Alliance Capital's expertise in growth equity and corporate fixed income investing and its family of retail mutual funds, with Bernstein's expertise in value equity investing, tax-exempt fixed income management, and its Private Wealth Management and Bernstein Research Services businesses. For additional details about this business combination, *see Note 2 to our consolidated financial statements in Item 8.*

As of December 31, 2015, the condensed ownership structure of AB is as follows (for a more complete description of our ownership structure, *see "Principal Security Holders" in Item 12*):



The General Partner owns 100,000 general partnership units in AB Holding and a 1% general partnership interest in AB. Including these general partnership interests, AXA, through certain of its subsidiaries (*see "Principal Security Holders" in Item 12*), had an approximate 62.8% economic interest in AB as of December 31, 2015.

Competition

We compete in all aspects of our business with numerous investment management firms, mutual fund sponsors, brokerage and investment banking firms, insurance companies, banks, savings and loan associations, and other financial institutions that often provide investment products that have similar features and objectives as those we offer. Our competitors offer a wide range of financial services to the same customers that we seek to serve. Some of our competitors are larger, have a broader range of product choices and investment capabilities, conduct business in more markets, and have substantially greater resources than we do. These factors may place us at a competitive disadvantage, and we can give no assurance that our strategies and efforts to maintain and enhance our current client relationships, and create new ones, will be successful.

In addition, AXA and its subsidiaries provide financial services, some of which compete with those we offer. The AB Partnership Agreement specifically allows AXA and its subsidiaries (other than the General Partner) to compete with AB and to pursue opportunities that may be available to us. AXA, AXA Financial, AXA Equitable and certain of their respective subsidiaries have substantially greater financial resources than we do and are not obligated to provide resources to us.

To grow our business, we believe we must be able to compete effectively for AUM. Key competitive factors include:

- our investment performance for clients;
- our commitment to place the interests of our clients first;
- the quality of our research;
- our ability to attract, motivate and retain highly skilled, and often highly specialized, personnel;
- the array of investment products we offer;
- the fees we charge;
- Morningstar/Lipper rankings for the AB Funds;
- our ability to sell our actively-managed investment services despite the fact that many investors favor passive services;
- our operational effectiveness;
- our ability to further develop and market our brand; and
- our global presence.

Competition is an important risk that our business faces and should be considered along with the other risk factors we discuss *in "Risk Factors" in Item 1A.*

Available Information

We file or furnish annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, amendments to such reports, and other reports (and amendments thereto) required to comply with federal securities laws, including Section 16 beneficial ownership reports on Forms 3, 4 and 5, registration statements and proxy statements. We maintain an Internet site (*http://www.abglobal.com*) where the public can view these reports, free of charge, as soon as reasonably practicable after each report is filed with, or furnished to, the SEC. In addition, the SEC maintains an Internet site (*http://www.sec.gov*) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

W.P. Stewart

On December 12, 2013, we acquired WPS, an equity investment manager that managed, as of December 12, 2013, approximately $2.1 billion in U.S., Global and Europe, Australasia (Australia and New Zealand) and Far East ("**EAFE**") concentrated growth equity strategies for its clients, primarily in the U.S. and Europe. On the date of the WPS Acquisition, each of approximately 4.9 million outstanding shares of WPS common stock (other than certain specified shares, as previously disclosed in Amendment No. 2 to Form S-4 filed by AB on November 8, 2013) was converted into the right to receive $12.00 per share and one transferable contingent value right ("**CVRs**") entitling the holders to an additional $4.00 per share cash payment if the Assets Under Management (as such term is defined in the Contingent Value Rights Agreement ("**CVR Agreement**") dated as of December 12, 2013, a copy of which we filed as Exhibit 4.01 ("**Exhibit 4.01**") to our Form 10-K for the year ended December 31, 2013) in the acquired WPS investment services exceed $5 billion on or before December 12, 2016, subject to measurement procedures and limitations set forth in the CVR Agreement. *See the definition of AUM Milestone in the CVR Agreement filed as Exhibit 4.01*. The foregoing description of the CVR Agreement does not purport to be complete and is qualified in its entirety by the full text of the CVR Agreement.

As of December 31, 2015, the Assets Under Management are approximately $4.0 billion. Accordingly, management has determined that the AUM Milestone did not occur during the fourth quarter of 2015.

Item 1A. Risk Factors

Please consider this section along with the description of our business *in Item 1*, the competition section *immediately above* and our financial information *contained in Items 6, 7 and 8*. The majority of the risk factors discussed below directly affect AB. These risk factors also affect AB Holding because AB Holding's principal source of income and cash flow is attributable to its investment in AB. *See also "Cautions Regarding Forward-Looking Statements" in Item 7*.

Business-related Risks

Our revenues and results of operations depend on the market value and composition of our AUM, which can fluctuate significantly based on various factors, including many factors outside of our control.

We derive most of our revenues from investment advisory and services fees, which typically are calculated as a percentage of the value of AUM as of a specified date, or as a percentage of the value of average AUM for the applicable billing period, and vary with the type of investment service, the size of the account and the total amount of assets we manage for a particular client. The value and composition of our AUM can be adversely affected by several factors, including:

- Market Factors. Declining equity markets during the second half of 2015, which resulted from, among other factors, concerns regarding growth in China and other international economies, rapidly declining commodity prices, particularly oil, fixed income market liquidity and a possible slowdown in the rate of growth of the global economy, caused our AUM and revenues to decline. This trend may continue. Additionally, increases in interest rates, particularly if rapid, likely would decrease the total return of many bond investments due to lower market valuations of existing bonds. These factors could have a significant adverse effect on our revenues and results of operations as AUM in our fixed income investments comprise a major component of our total AUM.

- Client Preferences. Generally, our clients may withdraw their assets at any time and on short notice. Also, changing market dynamics and investment trends, particularly with respect to sponsors of defined benefit plans choosing to invest in less risky investments and the significant shift, which continued in 2015, from active equity investments to passive equity investments, may reduce interest in some of the investment products we offer, and/or clients and prospects may seek investment products that we may not currently offer. Also, the market forces *described above* and the resulting increased volatility of the securities markets have caused many investors to withdraw assets from riskier asset classes, such as equities and high yield debt, which has resulted in declines in our AUM and net flows. Loss of, or decreases in, AUM reduces our investment advisory and services fees and revenues.

- Our Investment Performance. Our ability to achieve investment returns for clients that meet or exceed investment returns for comparable asset classes and competing investment services is a key consideration when clients decide to keep their assets with us or invest additional assets, and when a prospective client is deciding whether to invest with us. Poor investment performance, both in absolute terms and/or relative to peers and stated benchmarks, may result in clients withdrawing assets and in prospective clients choosing to invest with competitors.
- Investing Trends. Our fee rates vary significantly among the various investment products and services we offer to our clients. For example, we generally earn higher fees from assets invested in our actively-managed equity services than in our actively-managed fixed income services or passive services. Also, we often earn higher fees from global and international services than we do from U.S. services (*see "Net Revenues" in Item 7* for additional information regarding our fee rates). If our clients choose to invest in actively-managed fixed income services and/or passive services, which generally have lower fees, instead of actively-managed equity services, which generally have higher fees, our investment advisory and services fees and revenues will decline.
- Service Changes. We may be required to reduce our fee levels, restructure the fees we charge and/or adjust the services we offer to our clients because of, among other things, regulatory initiatives (whether industry-wide or specifically targeted), changing technology in the asset management business (including algorithmic strategies), court decisions and competitive considerations. A reduction in fees would reduce our revenues.

A decrease in the value of our AUM, or a decrease in the amount of AUM we manage, or an adverse mix shift in our AUM, would adversely affect our investment advisory and services fees and revenues. A reduction in revenues, without a commensurate reduction in expenses, adversely affects our results of operations.

Our reputation could suffer if we are unable to deliver consistent, competitive investment performance.

Our business is based on the trust and confidence of our clients. Damage to our reputation, resulting from poor or inconsistent investment performance, among other factors, can reduce substantially our AUM and impair our ability to maintain or grow our business.

Maintaining adequate liquidity for our general business needs depends on certain factors, including operating cash flows and our access to credit on reasonable terms.

Our financial condition is dependent on our cash flow from operations, which is subject to the performance of the capital markets, our ability to maintain and grow AUM and other factors beyond our control. Our ability to issue public or private debt on reasonable terms may be limited by adverse market conditions, our profitability, our creditworthiness as perceived by lenders and changes in government regulations, including tax rates and interest rates. Furthermore, our access to credit on reasonable terms is partially dependent on our firm's credit ratings.

Standard & Poor's Rating Service and Moody's Investors Service, Inc. each affirmed AB's long-term and short-term credit ratings in 2015 and also affirmed its stable outlook. Future changes in our credit ratings are possible and any downgrade to our ratings is likely to increase our borrowing costs and limit our access to the capital markets. If this occurs, we may be forced to incur unanticipated costs or revise our strategic plans, which could have a material adverse effect on our financial condition, results of operations and business prospects.

Our business is dependent on investment advisory agreements with clients, and selling and distribution agreements with various financial intermediaries and consultants, which generally are subject to termination or non-renewal on short notice.

We derive most of our revenues pursuant to written investment management agreements (or other arrangements) with institutional investors, mutual funds and private wealth clients, and selling and distribution agreements with financial intermediaries that distribute AB Funds. Generally, the investment management agreements (and other arrangements), including our agreements with AXA and its subsidiaries (our largest client), are terminable at any time or upon relatively short notice by either party. The investment management agreements pursuant to which we manage the U.S. Funds must be renewed and approved by the Funds' boards of directors annually. A significant majority of the directors are independent. Consequently, there can be no assurance that the board of directors of each fund will approve the fund's investment management agreement each year, or will not condition its approval on revised terms that may be adverse to us. In addition, investors in AB Funds can redeem their investments without notice. Any termination of, or failure to renew, a significant number of these agreements, or a significant increase in redemption rates, could have a material adverse effect on our results of operations and business prospects.

Similarly, the selling and distribution agreements with securities firms, brokers, banks and other financial intermediaries (including our agreement with UBS AG, with respect to which UBS AG was responsible for approximately 8% of our open-end AB Fund sales in 2015) are terminable by either party upon notice (generally 30 days) and do not obligate the financial intermediary to sell any specific amount of fund shares. These intermediaries generally offer their clients investment products that compete with our products. In addition, certain institutional investors rely on consultants to advise them about choosing an investment adviser and some of our services may not be considered among the best choices by these consultants. As a result, investment consultants may advise their clients to move their assets invested with us to other investment advisers, which could result in significant net outflows.

Lastly, our Private Wealth Services rely on referrals from financial planners, registered investment advisers and other professionals. We cannot be certain that we will continue to have access to, or receive referrals from, these third parties. Loss of such access or referrals could have a material adverse effect on our results of operations and business prospects.

We may be unable to continue to attract, motivate and retain key personnel, and the cost to retain key personnel could put pressure on our adjusted operating margin.

Our business depends on our ability to attract, motivate and retain highly skilled, and often highly specialized, technical, managerial and executive personnel and there is no assurance that we will be able to do so.

The market for qualified research analysts, portfolio managers, financial advisors, traders, executive officers and other professionals is extremely competitive and is characterized by frequent movement of these professionals among different firms. Portfolio managers, financial advisors and executive officers often maintain strong, personal relationships with investors in our products and other members of the business community so their departure may cause us to lose client accounts or result in fewer opportunities to win new business, either of which could have a material adverse effect on our results of operations and business prospects.

Also, a decline in revenues may limit our ability to pay our employees at competitive levels, and maintaining (or increasing) compensation without a revenue increase, in order to retain key personnel, may adversely affect our adjusted operating margin.

As a result, in response to recent declines in our AUM and revenues, we are taking steps to reduce costs and will continue to be vigilant about aligning our cost structure (including headcount) with our revenue base. For additional information regarding our compensation practices, *see "Compensation Discussion and Analysis" in Item 11*.

Performance-based fee arrangements with our clients cause greater fluctuations in our net revenues.

We sometimes charge our clients performance-based fees, whereby we charge a base advisory fee and are eligible to earn an additional performance-based fee or incentive allocation that is calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time. Some performance-based fees include a high-watermark provision, which generally provides that if a client account underperforms relative to its performance target (whether in absolute terms or relative to a specified benchmark), it must gain back such underperformance before we can collect future performance-based fees. Therefore, if we fail to achieve the performance target for a particular period, we will not earn a performance-based fee for that period and, for accounts with a high-watermark provision, our ability to earn future performance-based fees will be impaired.

We are eligible to earn performance-based fees on 10.1%, 4.2% and 1.1% of the assets we manage for institutional clients, private wealth clients and retail clients, respectively (in total, 6.1% of our AUM). If the percentage of our AUM subject to performance-based fees grows, seasonality and volatility of revenue and earnings are likely to become more significant. Our performance-based fees in 2015, 2014 and 2013 were $23.7 million, $53.2 million and $53.6 million, respectively. For 2015, the decrease in performance-based fees primarily resulted from the fact that major equity markets were down slightly for the year.

An impairment of goodwill may occur.

Determining whether an impairment of the goodwill asset exists requires management to exercise a substantial amount of judgment. In addition, to the extent that securities valuations are depressed for prolonged periods of time and/or market conditions continue to experience declines commensurate with the second half of 2015 and early in 2016, or if we experience significant net redemptions, our AUM, revenues, profitability and unit price will continue to be adversely affected. Although the price of an AB Holding Unit is just one factor in the calculation of fair value, if AB Holding Unit price levels continue to decline significantly, reaching the conclusion that fair value exceeds carrying value will, over time, become more difficult. In addition, control premiums, industry earnings multiples and discount rates are impacted by economic conditions. As a result, subsequent impairment tests may occur more frequently and be based on more negative assumptions and future cash flow projections, and may result in an impairment of goodwill. An impairment may result in a material charge to our earnings. For additional information about our impairment testing, *see Item 7*.

We may engage in strategic transactions that could pose risks.

As part of our business strategy, we consider from time to time potential strategic transactions, including acquisitions, dispositions, consolidations, joint ventures and similar transactions, some of which may be material. These transactions, if undertaken, may involve a number of risks and present financial, managerial and operational challenges, including:

- adverse effects on our earnings if acquired intangible assets or goodwill become impaired;
- existence of unknown liabilities or contingencies that arise after closing; and
- potential disputes with counterparties.

Acquisitions also pose the risk that any business we acquire may lose customers or employees or could underperform relative to expectations. Additionally, the loss of investment personnel poses the risk that we may lose the AUM we expected to manage, which could adversely affect our results of operations. Furthermore, strategic transactions may require us to increase our leverage or, if we issue AB Units or AB Holding Units to fund an acquisition, would dilute the holdings of our existing Unitholders.

Fluctuations in the exchange rates between the U.S. dollar and various other currencies can adversely affect our AUM, revenues and results of operations.

Although significant portions of our net revenues and expenses, as well as our AUM, presently are denominated in U.S. dollars, we have subsidiaries and clients outside of the United States with functional currencies other than the U.S. dollar. Weakening of these currencies relative to the U.S. dollar adversely affects the value in U.S. dollar terms of our subsidiaries' revenues and

our AUM denominated in these other currencies. Accordingly, fluctuations in U.S. dollar exchange rates may affect our AUM, revenues and reported financial results from one period to the next.

We may not be successful in our efforts to hedge our exposure to such fluctuations, which could negatively impact our revenues and reported financial results.

Our seed capital investments are subject to market risk. While we enter into various futures, forwards and swap contracts to economically hedge many of these investments, we also may be exposed to market risk and credit-related losses in the event of non-performance by counterparties to these derivative instruments.

We have a seed investment program for the purpose of building track records and assisting with the marketing initiatives pertaining to our firm's new products. As our new product launches have increased in recent years, so too has our use of seed capital for investment purposes. These seed capital investments are subject to market risk. Our risk management team oversees a seed hedging program that attempts to minimize this risk, subject to practical and cost considerations. Also, not all seed investments are deemed appropriate to hedge, and in those cases we are exposed to market risk. In addition, we may be subject to basis risk in that we cannot always hedge with precision our market exposure and, as a result, we may be subject to relative spreads between market sectors. As a result, volatility in the capital markets may cause significant changes in our period-to-period financial and operating results.

We use various derivative instruments, including futures, forwards and swap contracts, in conjunction with our seed hedging program. While in most cases broad market risks are hedged, our hedges are imperfect and some market risk remains. In addition, our use of derivatives results in counterparty risk (*i.e.*, the risk that we may be exposed to credit-related losses in the event of non-performance by counterparties to these derivative instruments), regulatory risk (*e.g.*, short selling restrictions) and cash/synthetic basis risk (*i.e.*, the risk that the underlying positions do not move identically to the related derivative instruments).

The revenues generated by Bernstein Research Services may be adversely affected by circumstances beyond our control, including declines in brokerage transaction rates, declines in global market volumes and failure to settle our trades by significant counterparties.

Electronic, or “low-touch”, trading approaches represent a significant percentage of buy-side trading activity and typically produce transaction fees for execution-only services that are approximately one-third the price of traditional full service fee rates. As a result, blended pricing throughout our industry is lower now than it was historically, and price declines may continue. In addition, fee rates we charge and charged by other brokers for traditional brokerage services have historically experienced price pressure, and we expect these trends to continue. Also, while increases in transaction volume and market share often can offset decreases in rates, this may not continue. For example, global market volumes have declined in recent years, and we expect this may continue, especially considering recent increases in passive investing.

In addition, the failure or inability of any of our broker-dealer's significant counterparties to perform could expose us to substantial expenditures and adversely affect our revenues. For example, SCB LLC, as a member of clearing and settlement exchanges, would be required to settle open trades of any non-performing counterparty. This exposes us to the mark-to-market adjustment on the trades between trade date and settlement date, which could be significant, especially during periods of severe market volatility. Lastly, our ability to access cash in such situations may be limited by what our liquidity relationships are able to offer us at such times.

The individuals, third-party vendors or issuers on whom we rely to perform services for us or our clients may be unable or unwilling to honor their contractual obligations to us.

We rely on various counterparties and other third-party vendors to augment our existing investment, operational, financial and technological capabilities, but the use of a third-party vendor does not diminish AB's responsibility to ensure that client and regulatory obligations are met. In addition, default rates, downgrades and disputes with counterparties as to the valuation of collateral increase significantly in times of market stress. Disruptions in the financial markets and other economic challenges may cause our counterparties and other third-party vendors to experience significant cash flow problems or even render them insolvent, which may expose us to significant costs.

Also, weaknesses or failures within a third-party vendor's internal processes or systems can materially disrupt our business operations and third-party vendors may lack the necessary technology or resources to effectively safeguard our confidential data. If we are unable to effectively manage the risks associated with such third-party relationships, we may suffer fines, disciplinary action and harm to our reputation.

We may not accurately value the securities we hold on behalf of our clients or our company investments.

In accordance with applicable regulatory requirements, contractual obligations or client direction, we employ procedures for the pricing and valuation of securities and other positions held in client accounts or for company investments. We have established a Valuation Committee, composed of senior officers and employees, which oversees pricing controls and valuation processes. If market quotations for a security are not readily available, the Valuation Committee determines a fair value for the security.

Extraordinary volatility in financial markets, significant liquidity constraints or our failure to adequately consider one or more factors when determining the fair value of a security based on information with limited market observability could result in our failing to properly value securities we hold for our clients or investments accounted for on our balance sheet. Improper valuation likely would result in our basing fee calculations on inaccurate AUM figures, our striking incorrect net asset values for company-sponsored mutual funds or hedge funds or, in the case of company investments, our inaccurately calculating and reporting our financial condition and operating results. Although the overall percentage of our AUM that we fair value based on information with limited market observability is not significant, inaccurate fair value determinations can harm our clients, create regulatory issues and damage our reputation.

We may not have sufficient information to confirm or review the accuracy of valuations provided to us by underlying external managers for the funds in which certain of our alternative investment products invest.

Certain of our alternative investment services invest in funds managed by external managers ("**External Managers**") rather than investing directly in securities and other instruments. As a result, our abilities will be limited with regard to (i) monitoring such investments, (ii) regularly obtaining complete, accurate and current information with respect to such investments and (iii) exercising control over such investments. Accordingly, we may not have sufficient information to confirm or review the accuracy of valuations provided to us by External Managers. In addition, we will be required to rely on External Managers' compliance with any applicable investment guidelines and restrictions. Any failure of an External Manager to operate within such guidelines or to provide accurate information with respect to the investment could subject our alternative investment products to losses and cause damage to our reputation.

The quantitative models we use in certain of our investment services may contain errors, resulting in imprecise risk assessments and unintended output.

We use quantitative models in a variety of our investment services, generally in combination with fundamental research. Our quantitative models are validated by senior quantitative professionals. We have a Model Risk Working Group to formalize and oversee a quantitative model governance framework, including minimum validation standards. However, due to the complexity of such models, it is possible that errors in the models could exist and our controls could fail to detect such errors. Failure to detect errors could result in client losses and damage to our reputation.

We may not always successfully manage actual and potential conflicts of interest that arise in our business.

Increasingly, we must manage actual and potential conflicts of interest, including situations where our services to a particular client conflict, or are perceived to conflict, with the interests of another client. Failure to adequately address potential conflicts of interest could adversely affect our reputation, results of operations and business prospects.

We have procedures and controls that are designed to identify and mitigate conflicts of interest, including those designed to prevent the improper sharing of information. However, appropriately managing conflicts of interest is complex. Our reputation could be damaged and the willingness of clients to enter into transactions in which such a conflict might arise may be affected if we fail, or appear to fail, to deal appropriately with actual or perceived conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or regulatory enforcement actions.

Unpredictable events, including natural disaster, dangerous weather conditions, technology failure, terrorist attack and political unrest, may adversely affect our ability to conduct business.

War, terrorist attack, political unrest, power failure, climate change, natural disaster and rapid spread of infectious diseases could interrupt our operations by:

- causing disruptions in global economic conditions, thereby decreasing investor confidence and making investment products generally less attractive;
- inflicting loss of life;
- triggering large-scale technology failures or delays; and
- requiring substantial capital expenditures and operating expenses to remediate damage and restore operations.

Despite the contingency plans and facilities we have in place, including system security measures, information back-up and disaster recovery processes, our ability to conduct business may be adversely affected by a disruption in the infrastructure that supports our operations and the communities in which they are located. This may include a disruption involving electrical, communications, transportation or other services we may use or third parties with which we conduct business. If a disruption occurs in one location and our employees in that location are unable to occupy our offices or communicate with or travel to other locations, our ability to conduct business with and on behalf of our clients may suffer, and we may not be able to successfully implement contingency plans that depend on communication or travel. Furthermore, unauthorized access to our systems as a result of a security breach, the failure of our systems, or the loss of data could give rise to legal proceedings or regulatory penalties under laws protecting the privacy of personal information, disrupt operations, and damage our reputation.

Our operations require experienced, professional staff. Loss of a substantial number of such persons or an inability to provide properly equipped places for them to work may, by disrupting our operations, adversely affect our financial condition, results of operations and business prospects. In addition, our property and business interruption insurance may not be adequate to compensate us for all losses, failures, or breaches that may occur.

Technology failures can significantly constrain our operations and result in significant time and expense to remediate, whether caused by "cyber attack", another type of security breach or inadvertent system error.

We are highly dependent on software and related technologies throughout our business, including both proprietary systems and those provided by third-party vendors. We use our technology to, among other things, obtain securities pricing information, process client transactions, and provide reports and other services to our clients. Although we take protective measures, including measures designed to effectively secure information through system security technology and established and tested business continuity plans, we may still experience system delays and interruptions as a result of natural disasters, hardware failures, software defects, power outages, acts of war (cyber or conventional) and third-party failures. We cannot predict with certainty all of the adverse effects that could result from our failure, or the failure of a third party, to efficiently address and resolve these delays and interruptions. These adverse effects could include the inability to perform critical business functions or failure to comply with financial reporting and other regulatory requirements, which could lead to loss of client confidence, reputational damage, exposure to disciplinary action and liability to our clients. Accordingly, potential system failures and the cost necessary to correct those failures could have a material adverse effect on our results of operations and business prospects.

In addition, we could be subject to losses if we fail to properly safeguard sensitive and confidential information. As part of our normal operations, we maintain and transmit confidential information about our clients as well as proprietary information relating to our business operations. Although we take protective measures, our systems still could be vulnerable to cyber attack or other forms of unauthorized access (including computer viruses) that have a security impact, such as an authorized employee or vendor inadvertently or intentionally causing us to release confidential or proprietary information. Such disclosure could, among other things, allow competitors access to our proprietary business information and require significant time and expense to investigate and remediate the breach. Moreover, loss of confidential client information could harm our reputation and subject us to liability under laws that protect confidential personal data, resulting in increased costs or loss of revenues.

Also, many of the software applications that we use in our business are licensed from, and supported, upgraded and maintained by, third-party vendors. A suspension or termination of certain of these licenses or the related support, upgrades and maintenance could cause temporary system delays or interruption. Additionally, technology rapidly evolves and we cannot guarantee that our competitors may not implement more advanced technology platforms for their products and services, which may place us at a competitive disadvantage and adversely affect our results of operations and business prospects.

Our own operational failures or those of third parties on which we rely, including failures arising out of human error, could disrupt our business, damage our reputation and reduce our revenues.

Weaknesses or failures in our internal processes or systems could lead to disruption of our operations, liability to clients, exposure to disciplinary action or harm to our reputation. Our business is highly dependent on our ability to process, on a daily

basis, large numbers of transactions, many of which are highly complex, across numerous and diverse markets. These transactions generally must comply with client investment guidelines, as well as stringent legal and regulatory standards.

Our obligations to clients require us to exercise skill, care and prudence in performing our services. Despite our employees being highly trained and skilled, the large number of transactions we process makes it highly likely that errors will occasionally occur. If we make a mistake in performing our services that causes financial harm to a client, we have a duty to act promptly to put the client in the position the client would have been in had we not made the error. The occurrence of mistakes, particularly significant ones, can have a material adverse effect on our reputation, results of operations and business prospects.

Our insurance policies may be insufficient to protect us against large losses.

We can make no assurance that a claim or claims will be covered by our insurance policies or, if covered, will not exceed the limits of available insurance coverage, or that our insurers will remain solvent and meet their obligations.

Our business is subject to pervasive, complex and continuously evolving global regulation, compliance with which involves substantial expenditures of time and money, and violation of which may result in material adverse consequences.

Virtually all aspects of our business are subject to federal and state laws and regulations, rules of securities regulators and exchanges, and laws and regulations in the foreign jurisdictions in which our subsidiaries conduct business. If we violate these laws or regulations, we could be subject to civil liability, criminal liability or sanction, including restriction or revocation of our and our subsidiaries' professional licenses or registrations, revocation of the licenses of our employees, censures, fines, or temporary suspension or permanent bar from conducting business. Any such liability or sanction could have a material adverse effect on our financial condition, results of operations and business prospects. A regulatory proceeding, even if it does not result in a finding of wrongdoing or sanction, could require substantial expenditures of time and money and could potentially damage our reputation.

Moreover, regulators sometimes change their policies or laws in a manner that may make compliance more expensive and/or restrict or otherwise impede our ability to register, market and distribute our investment products. For example, the Financial Supervisory Commission in Taiwan ("**FSC**") has implemented new limits on the degree to which local investors can own an offshore investment product, which limits were effective as of January 1, 2015. While certain exemptions have been available to us, should we not continue to qualify, the FSC's new rules could force some of our local resident investors to redeem their investments in our funds sold in Taiwan (and/or prevent further sales of those funds in Taiwan), some of which funds have local ownership levels substantially above the new FSC limits. This could lead to significant declines in our investment advisory and services fees and revenues earned from these funds.

In addition, pending legislation in the U.S. and Europe could pose significant challenges to AB, including rules proposed by the U.S. Department of Labor ("**DOL**"), which are expected to become effective (at least in part) by the end of 2016. If enacted, the DOL's proposed rules, which impose fiduciary duties on financial advisors employed by broker-dealers, who provide investment advice pertaining to roll-overs of 401(k) balances and investments in individual retirement accounts, would change dramatically how investment advice is provided to clients industry-wide and will affect how AB compensates financial intermediaries that sell its mutual funds. The new rules also would adversely affect our ability to distribute our mutual funds to individual retirement accounts through subsidiaries of AXA, including AXA Advisors.

In Europe, the second installment of the Markets in Financial Instruments Directive II ("**MiFID II**"), enactment of which is expected to be delayed until January 1, 2018, would prohibit investment managers from receiving inducements, including research, from broker-dealers, in exchange for securities transaction execution commissions. As a result, MiFID II, if enacted as currently drafted, could substantially reduce the revenues of our U.K.-based broker-dealer, which would no longer be compensated for its research through soft-dollar payments by third party buy-side firms. Furthermore, AB's European buy-side subsidiaries could be required to pay hard dollars to purchase research, which would increase our expenses.

MiFID II, as currently drafted, would permit buy-side firms to purchase research through the use of client-funded research payment accounts. Also, the language of the recently-proposed Delegated Act under MiFID II appears to permit the funding of these accounts in a manner that would permit the continued use of traditional commission sharing agreements, which would significantly reduce the financial impact on buy-side and sell-side firms of the MiFID II prohibition on inducements. However, significant operational changes would be required to implement the rule. The ultimate impact of MiFID II on payments for research currently is uncertain.

We are involved in various legal proceedings and regulatory matters and may be involved in such proceedings in the future, any one or combination of which could have a material adverse effect on our reputation, financial condition, results of operations and business prospects.

We may be involved in various matters, including regulatory inquiries, administrative proceedings and litigation, some of which allege significant damages, and we may be involved in additional matters in the future. Litigation is subject to significant uncertainties, particularly when plaintiffs allege substantial or indeterminate damages, the litigation is in its early stages, or when the litigation is highly complex or broad in scope.

The financial services industry is intensely competitive.

We compete on the basis of a number of factors, including our investment performance for our clients, our array of investment services, innovation, reputation and price. By having a global presence, we may face competitors with more experience and more established relationships with clients, regulators and industry participants in the relevant market, which could adversely affect our ability to expand. Furthermore, if we are unable to maintain and/or continue to improve our investment performance, our client flows may be adversely affected, which may make it more difficult for us to compete effectively.

Also, increased competition could reduce the demand for our products and services, which could have a material adverse effect on our financial condition, results of operations and business prospects. For additional information regarding competitive factors, *see "Competition" in Item 1*.

A major factor in our competitive environment is the perception that active equity managers have, on average over the past decade, underperformed passive services, which invest based on market indices rather than individual stock selection. This perception has resulted in significant outflows from actively-managed services and corresponding significant inflows into passive services. In the resulting environment, organic growth through positive net inflows is difficult to achieve for active equity managers, such as AB, and requires taking market share from other active managers.

Structure-related Risks

The partnership structure of AB Holding and AB limits Unitholders' abilities to influence the management and operation of AB's business and is highly likely to prevent a change in control of AB Holding and AB.

The General Partner, as general partner of both AB Holding and AB, generally has the exclusive right and full authority and responsibility to manage, conduct, control and operate their respective businesses, except as otherwise expressly stated in their respective Amended and Restated Agreements of Limited Partnership. AB Holding and AB Unitholders have more limited voting rights on matters affecting AB than do holders of common stock in a corporation. Both Amended and Restated Agreements of Limited Partnership provide that Unitholders do not have any right to vote for directors of the General Partner and that Unitholders only can vote on certain extraordinary matters (including removal of the General Partner under certain extraordinary circumstances). Additionally, the AB Partnership Agreement includes significant restrictions on the transfer of AB Units and provisions that have the practical effect of preventing the removal of the General Partner, which provisions are highly likely to prevent a change in control of AB's management.

AB Units are illiquid and subject to significant transfer restrictions.

There is no public trading market for AB Units and we do not anticipate that a public trading market will develop. The AB Partnership Agreement restricts our ability to participate in a public trading market or anything substantially equivalent to one by providing that any transfer that may cause AB to be classified as a "publicly traded partnership" ("**PTP**") as defined in Section 7704 of the Internal Revenue Code of 1986, as amended ("**Code**"), shall be deemed void and shall not be recognized by AB. In addition, AB Units are subject to significant restrictions on transfer, such as obtaining the written consent of AXA Equitable and the General Partner pursuant to the AB Partnership Agreement. Generally, neither AXA Equitable nor the General Partner will permit any transfer that it believes would create a risk that AB would be treated as a corporation for tax purposes. AXA Equitable and the General Partner have implemented a transfer program that requires a seller to locate a purchaser and imposes annual volume restrictions on transfers. You may request a copy of the transfer program from our Corporate Secretary (*corporate_secretary@abglobal.com*). Also, we have filed the transfer program as Exhibit 10.07 to this Form 10-K.

Changes in the partnership structure of AB Holding and AB and/or changes in the tax law governing partnerships would have significant tax ramifications.

AB Holding, having elected under Section 7704(g) of the Code to be subject to a 3.5% federal tax on partnership gross income from the active conduct of a trade or business, is a “grandfathered” PTP for federal income tax purposes. AB Holding is also subject to the 4.0% New York City unincorporated business tax (“**UBT**”), net of credits for UBT paid by AB. In order to preserve AB Holding’s status as a “grandfathered” PTP for federal income tax purposes, management ensures that AB Holding does not directly or indirectly (through AB) enter into a substantial new line of business. A “new line of business” includes any business that is not closely related to AB’s historical business of providing research and diversified investment management and related services to its clients. A new line of business is “substantial” when a partnership derives more than 15% of its gross income from, or uses more than 15% of its total assets in, the new line of business.

AB is a private partnership for federal income tax purposes and, accordingly, is not subject to federal and state corporate income taxes. However, AB is subject to the 4.0% UBT. Domestic corporate subsidiaries of AB, which are subject to federal, state and local income taxes, generally are included in the filing of a consolidated federal income tax return with separate state and local income tax returns being filed. Foreign corporate subsidiaries generally are subject to taxes in the foreign jurisdiction where they are located. If our business increasingly operates in countries other than the U.S., AB’s effective tax rate will increase over time because our international subsidiaries are subject to corporate taxes in the jurisdictions where they are located.

In order to preserve AB’s status as a private partnership for federal income tax purposes, AB Units must not be considered publicly traded. If such units were to be considered readily tradable, AB would be subject to federal and state corporate income tax on its net income. Furthermore, *as noted above*, should AB enter into a substantial new line of business, AB Holding, by virtue of its ownership of AB, would lose its status as a grandfathered PTP and would become subject to corporate income tax *as set forth above*. For information about the significant restrictions on transfer of AB Units, *see the risk factor immediately above*.

In addition, recent decisions by members of Congress and their staffs regarding the need for fundamental tax reform and possible tax law changes to raise additional revenue have included suggestions that all large partnerships (which would include both AB and AB Holding) should be taxed as corporations and that a process should be implemented to address repatriating the non-U.S. earnings of U.S. companies. We cannot predict whether, or in what form, tax legislation will be proposed in the future and are unable to determine what effect any new legislation might have on us. If our subsidiaries' non-U.S. earnings are repatriated to the U.S. at unfavorable tax rates, our tax liability may increase substantially. Furthermore, if AB Holding and AB were to lose their federal tax status as partnerships, they would be subject to corporate income tax, which would reduce materially their net income and quarterly distributions to Unitholders.

If, pursuant to the Bipartisan Budget Act of 2015 ("2015 Act"), any audit by the Internal Revenue Services ("IRS") of our income tax returns for any fiscal year beginning after December 31, 2017 results in any adjustments, the IRS may collect any resulting taxes, including any applicable penalties and interest, directly from us, in which case our net income and the cash available for quarterly Unitholder distributions may be substantially reduced.

Although the IRS, under current law, generally determines tax adjustments at the partnership level when it audits the income tax return of a partnership, the IRS is required to collect any additional taxes, interest and penalties from the partnership's individual partners. *As discussed immediately below*, the 2015 Act modifies this procedure for fiscal years beginning after December 31, 2017.

Under the 2015 Act, if any audit by the IRS of our income tax returns for any fiscal year beginning after December 31, 2017 results in any adjustments, the IRS may collect any resulting taxes, including any applicable penalties and interest, directly from us. Generally, we will have the ability to collect such tax liability from our Unitholders in accordance with their percentage interests during the year under audit, but there can be no assurance that we will elect to do so or be able to do so under all circumstances. If we do not collect such tax liability from our Unitholders in accordance with their percentage interests in the tax year under audit, our net income and the available cash for quarterly distributions to current Unitholders may be substantially reduced. Accordingly, our current Unitholders may bear some or all of the tax liability resulting from such audit adjustment, even if such Unitholders did not own Units during the tax year under audit.

Further guidance from the IRS is expected, which may significantly impact the application of these rules.

Item 1B. Unresolved Staff Comments

We have no unresolved comments from the staff of the SEC to report.

Item 2. Properties

Our principal executive offices located at 1345 Avenue of the Americas, New York, New York are occupied pursuant to a lease expiring in 2019 with options to extend to 2029. At this location, we currently lease 1,033,984 square feet of space, within which we currently occupy approximately 599,265 square feet of space and have sub-let approximately 434,719 square feet of space. We also lease space at two other locations in New York City; we acquired one of these leases in connection with the WPS Acquisition.

In addition, we lease approximately 263,083 square feet of space at One North Lexington, White Plains, New York under a lease expiring in 2021 with options to extend to 2031. At this location, we currently occupy approximately 69,013 square feet of space and have sub-let (or are seeking to sub-let) approximately 194,070 square feet of space.

We also lease 92,067 square feet of space in San Antonio, Texas under a lease expiring in 2019 with options to extend to 2029. At this location, we currently occupy approximately 59,004 square feet of space and have sub-let approximately 33,063 square feet of space.

In addition, we lease space in 20 other cities in the United States.

Our subsidiaries lease space in 28 cities outside the United States, the most significant of which are in London, England, under a lease expiring in 2022, and in Tokyo, Japan, under a lease expiring in 2018. In London, we currently lease 87,250 square feet of space, within which we currently occupy approximately 54,746 square feet of space and have sub-let (or are seeking to sub-let) approximately 32,504 square feet of space. In Tokyo, we currently lease and occupy approximately 34,615 square feet of space.

Item 3. Legal Proceedings

With respect to all significant litigation matters, we consider the likelihood of a negative outcome. If we determine the likelihood of a negative outcome is probable and the amount of the loss can be reasonably estimated, we record an estimated loss for the expected outcome of the litigation. If the likelihood of a negative outcome is reasonably possible and we are able to determine an estimate of the possible loss or range of loss in excess of amounts already accrued, if any, we disclose that fact together with the estimate of the possible loss or range of loss. However, it is often difficult to predict the outcome or estimate a possible loss or range of loss because litigation is subject to inherent uncertainties, particularly when plaintiffs allege substantial or indeterminate damages. Such is also the case when the litigation is in its early stages or when the litigation is highly complex or broad in scope. In these cases, we disclose that we are unable to predict the outcome or estimate a possible loss or range of loss.

During the first quarter of 2012, we received a legal letter of claim ("**Letter of Claim**") sent on behalf of Philips Pension Trustees Limited and Philips Electronics U.K. Limited ("**Philips**"), a former pension fund client, alleging that AllianceBernstein Limited (one of our subsidiaries organized in the U.K.) was negligent and failed to meet certain applicable standards of care with respect to the initial investment in, and management of, a £500 million portfolio of U.S. mortgage-backed securities. Philips has alleged damages ranging between $177 million and $234 million, plus compound interest on an alleged $125 million of realized losses in the portfolio. On January 2, 2014, Philips filed a claim form ("**Claim**") in the High Court of Justice in London, England, which formally commenced litigation with respect to the allegations in the Letter of Claim.

We believe that any losses to Philips resulted from adverse developments in the U.S. housing and mortgage market that precipitated the financial crisis in 2008 and not from any negligence or other failure or malfeasance on our part. We believe that we have strong defenses to these claims, which are set forth in our October 12, 2012 response to the Letter of Claim and our June 27, 2014 Statement of Defence in response to the Claim, and intend to defend this matter vigorously.

In addition to the Claim *discussed immediately above*, we are involved in various other matters, including regulatory inquiries, administrative proceedings and litigation, some of which allege significant damages.

In management's opinion, an adequate accrual has been made as of December 31, 2015 to provide for any probable losses regarding any litigation matters for which we can reasonably estimate an amount of loss. It is reasonably possible that we could incur additional losses pertaining to these matters, but currently we cannot estimate any such additional losses.

Management, after consultation with legal counsel, currently believes that the outcome of any individual matter that is pending or threatened, or all of them combined, will not have a material adverse effect on our results of operations, financial condition or liquidity. However, any inquiry, proceeding or litigation has an element of uncertainty; management cannot determine whether further developments relating to any individual matter that is pending or threatened, or all of them combined, will have a material adverse effect on our results of operations, financial condition or liquidity in any future reporting period.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market for AB Holding Units and AB Units; Cash Distributions

AB Holding Units are listed on the NYSE and trade publicly under the ticker symbol "AB". There is no established public trading market for AB Units, which are subject to significant restrictions on transfer. For information about these transfer restrictions, *see "Structure-related Risks" in Item 1A.*

AB Holding's principal source of income and cash flow is attributable to its limited partnership interests in AB.

Each of AB Holding and AB distributes on a quarterly basis all of its Available Cash Flow, as defined in the AB Holding Partnership Agreement and the AB Partnership Agreement, respectively, to its Unitholders and the General Partner. For additional information concerning distribution of Available Cash Flow by AB Holding, *see Note 2 to AB Holding's financial statements in Item 8 of AB Holding's Form 10-K for the year ended December 31, 2015*. For additional information concerning distribution of Available Cash Flow by AB, *see Note 2 to our consolidated financial statements in Item 8.*

The distributions of Available Cash Flow made by AB and AB Holding during 2015 and 2014 and the high and low sale prices of AB Holding Units reflected on the NYSE composite transaction tape during 2015 and 2014 are as follows:

	Quarters Ended 2015				
	December 31	September 30	June 30	March 31	Total
Cash distributions per AB Unit[1]	$ 0.56	$ 0.50	$ 0.54	$ 0.51	$ 2.11
Cash distributions per AB Holding Unit[1]	$ 0.50	$ 0.43	$ 0.48	$ 0.45	$ 1.86
AB Holding Unit prices:					
High	$ 27.70	$ 30.07	$ 32.74	$ 31.00	
Low	$ 21.23	$ 22.00	$ 28.79	$ 24.04	

	Quarters Ended 2014				
	December 31	September 30	June 30	March 31	Total
Cash distributions per AB Unit[1]	$ 0.63	$ 0.51	$ 0.50	$ 0.44	$ 2.08
Cash distributions per AB Holding Unit[1]	$ 0.57	$ 0.45	$ 0.45	$ 0.39	$ 1.86
AB Holding Unit prices:					
High	$ 27.39	$ 28.18	$ 26.69	$ 26.00	
Low	$ 22.40	$ 25.00	$ 22.71	$ 20.98	

(1) Declared and paid during the following quarter.

On December 31, 2015, the closing price of an AB Holding Unit on the NYSE was $23.85 per Unit and there were 915 AB Holding Unitholders of record for approximately 81,000 beneficial owners. On December 31, 2015, there were 409 AB Unitholders of record, and we do not believe there are substantial additional beneficial owners.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

We did not engage in any unregistered sales of our securities during the years ended December 31, 2015, 2014 and 2013.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Each quarter since the third quarter of 2011, AB has implemented plans to repurchase AB Holding Units pursuant to Rule 10b5-1 under the Exchange Act. The plan adopted during the fourth quarter of 2015 expired at the close of business on February 10, 2016. AB may adopt additional Rule 10b5-1 plans in the future to engage in open-market purchases of AB

Holding Units to help fund anticipated obligations under the firm's incentive compensation award program and for other corporate purposes. For additional information about Rule 10b5-1 plans, *see "Units Outstanding" in Item 7*.

AB Holding Units bought by us or one of our affiliates during the fourth quarter of 2015 are as follows:

Issuer Purchases of Equity Securities

Period	Total Number of AB Holding Units Purchased	Average Price Paid Per AB Holding Unit, net of Commissions	Total Number of AB Holding Units Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of AB Holding Units that May Yet Be Purchased Under the Plans or Programs
10/1/15-10/31/15[1][2]	530,341	$ 26.52	—	—
11/1/15-11/30/15[2]	201,900	25.58	—	—
12/1/15-12/31/15[1][2]	3,995,806	23.94	—	—
Total	**4,728,047**	**$ 24.30**	**—**	**—**

(1) During the fourth quarter of 2015, we purchased 2,697,752 AB Holding Units from employees to allow them to fulfill statutory withholding tax requirements at the time of distribution of long-term incentive compensation awards.

(2) During the fourth quarter of 2015, we purchased 2,030,295 AB Holding Units on the open market pursuant to a Rule 10b5-1 plan to help fund anticipated obligations under our incentive compensation award program.

AB Units bought by us or one of our affiliates during the fourth quarter of 2015 are as follows:

Issuer Purchases of Equity Securities

Period	Total Number of AB Units Purchased	Average Price Paid Per AB Unit, net of Commissions	Total Number of AB Units Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of AB Units that May Yet Be Purchased Under the Plans or Programs
10/1/15-10/31/15	—	$ —	—	—
11/1/15-11/30/15	—	—	—	—
12/1/15-12/31/15[1]	120	24.43	—	—
Total	**120**	**$ 24.43**	**—**	**—**

(1) During December 2015, we purchased 120 AB Units in private transactions.

Item 6. Selected Financial Data

Selected Consolidated Financial Data

	Years Ended December 31,				
	2015	2014	2013	2012	2011
	(in thousands, except per unit amounts and unless otherwise indicated)				
INCOME STATEMENT DATA:					
Revenues:					
Investment advisory and services fees	$ 1,973,837	$ 1,958,250	$ 1,849,105	$ 1,764,475	$ 1,907,318
Bernstein research services	493,463	482,538	445,083	413,707	437,414
Distribution revenues	427,156	444,970	465,424	409,488	360,722
Dividend and interest income	24,872	22,322	19,962	21,286	21,499
Investment gains (losses)	3,551	(9,076)	33,339	29,202	(82,081)
Other revenues	101,169	108,788	105,058	101,801	107,569
Total revenues	3,024,048	3,007,792	2,917,971	2,739,959	2,752,441
Less: interest expense	3,321	2,426	2,924	3,222	2,550
Net revenues	3,020,727	3,005,366	2,915,047	2,736,737	2,749,891
Expenses:					
Employee compensation and benefits:					
Employee compensation and benefits	1,267,926	1,265,664	1,212,011	1,168,645	1,246,898
Long-term incentive compensation charge	—	—	—	—	587,131
Promotion and servicing:					
Distribution-related payments	393,033	413,054	426,824	370,865	306,368
Amortization of deferred sales commissions	49,145	41,508	41,279	40,262	37,675
Other promotion and servicing	223,415	224,576	204,568	198,416	215,513
General and administrative:					
General and administrative	431,635	426,960	423,043	507,682	532,896
Real estate charges	998	52	28,424	223,038	7,235
Contingent payment arrangements	(5,441)	(2,782)	(10,174)	682	682
Interest on borrowings	3,119	2,797	2,962	3,429	2,545
Amortization of intangible assets	25,798	24,916	21,859	21,353	21,417
Total expenses	2,389,628	2,396,745	2,350,796	2,534,372	2,958,360
Operating income (loss)	**631,099**	**608,621**	**564,251**	**202,365**	**(208,469)**
Income taxes	38,122	37,782	36,829	13,764	3,098
Net income (loss)	**592,977**	**570,839**	**527,422**	**188,601**	**(211,567)**
Net income (loss) of consolidated entities attributable to non-controlling interests	6,375	456	9,746	(315)	(36,799)
Net income (loss) attributable to AB Unitholders	**$ 586,602**	**$ 570,383**	**$ 517,676**	**$ 188,916**	**$ (174,768)**
Basic net income (loss) per AB Unit	**$ 2.14**	**$ 2.10**	**$ 1.89**	**$ 0.67**	**$ (0.62)**
Diluted net income (loss) per AB Unit	**$ 2.13**	**$ 2.09**	**$ 1.88**	**$ 0.67**	**$ (0.62)**
Operating margin[1]	20.7%	20.2%	19.0%	7.4%	n/m
CASH DISTRIBUTIONS PER AB UNIT[2]	**$ 2.11**	**$ 2.08**	**$ 1.97**	**$ 1.36**	**$ 1.38**
BALANCE SHEET DATA AT PERIOD END:					
Total assets	$ 7,435,967	$ 7,378,453	$ 7,385,851	$ 8,115,050	$ 7,708,389
Debt	$ 583,946	$ 488,988	$ 268,398	$ 323,163	$ 444,903
Total capital	$ 4,054,917	$ 4,115,861	$ 4,069,726	$ 3,803,268	$ 4,029,487
ASSETS UNDER MANAGEMENT AT PERIOD END (in millions)	**$ 467,440**	**$ 474,027**	**$ 450,411**	**$ 430,017**	**$ 405,897**

(1) Operating income excluding net income (loss) attributable to non-controlling interests as a percentage of net revenues.

(2) AB is required to distribute all of its Available Cash Flow, as defined in the AB Partnership Agreement, to its Unitholders and the General Partner; 2015, 2014 and 2013 distributions reflect the impact of non-GAAP adjustments; 2012 distributions exclude a total of $207.0 million of non-cash real estate charges recorded in the third and fourth quarters of 2012; 2011 distributions exclude the $587.1 million one-time, non-cash long-term incentive compensation charge.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Percentage change figures are calculated using assets under management rounded to the nearest million and financial statement amounts rounded to the nearest thousand.

Executive Overview

Our total assets under management ("**AUM**") as of December 31, 2015 were $467.4 billion, down $6.6 billion, or 1.4%, during 2015. The decrease was driven by market depreciation of $9.8 billion, offset by net inflows of $3.2 billion (Institutional inflows of $6.9 billion, offset by Retail outflows of $3.5 billion and Private Wealth Management outflows of $0.2 billion).

Institutional AUM decreased $0.8 billion, or 0.4%, to $236.2 billion during 2015, primarily due to market depreciation of $7.5 billion, offset by net inflows of $6.9 billion. Gross sales increased $5.9 billion, or 24.7%, from $23.9 billion in 2014 to $29.8 billion in 2015. Redemptions and terminations increased $5.7 billion, or 53.0%, from $10.7 billion in 2014 to $16.4 billion in 2015.

Retail AUM decreased $7.1 billion, or 4.4%, to $154.4 billion during 2015, primarily due to net outflows of $3.5 billion and market depreciation of $3.2 billion. Gross sales decreased $6.3 billion, or 14.9%, from $42.1 billion in 2014 to $35.8 billion in 2015. Redemptions and terminations decreased $1.5 billion, or 3.9%, from $37.5 billion in 2014 to $36.0 billion in 2015.

Private Wealth Management AUM increased $1.3 billion, or 1.8%, to $76.8 billion during 2015, due to market appreciation of $0.9 billion and transfers/adjustments of $0.6 billion, offset by net outflows of $0.2 billion. Gross sales decreased $1.2 billion, or 19.1%, from $6.5 billion in 2014 to $5.3 billion in 2015. Redemptions and terminations decreased $3.7 billion, or 68.2%, from $5.5 billion in 2014 to $1.8 billion in 2015.

Bernstein Research Services revenue increased $10.9 million, or 2.3%, in 2015. The increase was the result of growth in the U.S. and Asia, partially offset by a combination of pricing pressure in Europe and weakness in European currencies compared to the U.S. dollar.

Our 2015 revenues increased $15.4 million, or 0.5%, to $3.0 billion primarily as a result of a $45.1 million increase in base advisory fees, the $12.6 million difference between 2015 investment gains of $3.5 million and 2014 investments losses of $9.1 million, and a $10.9 million increase in Bernstein Research Services revenue, offset by a decrease of $29.5 million in performance-based fees, a decrease of $17.8 million in distribution revenues and a decrease of $7.6 million in other revenues. Our operating expenses decreased $7.1 million, or 0.3%, primarily due to a $13.5 million decrease in promotion and servicing expenses, offset by a $5.6 million increase in general and administrative expenses and a $2.3 million increase in employee compensation benefits expenses. Our operating income increased $22.5 million, or 3.7%, to $631.1 million from $608.6 million in 2014 and our operating margin increased from 20.2% (24.2% on an adjusted basis) in 2014 to 20.7% (24.5% on an adjusted basis) in 2015.

Market Environment

During the second half of 2015, concerns regarding growth in China and other international economies, rapidly declining commodity prices, particularly oil, fixed income market liquidity and a possible slowdown in the global economic growth rate, among other factors, contributed to global equity market declines, which negatively affected our AUM and revenue levels. These market forces have created greater volatility in the securities markets, causing many investors to withdraw money from riskier asset classes, such as equities and high yield debt, and reallocate from actively-managed services to passive services that are perceived as "safer" investments. These factors have also contributed to our AUM and revenue declines.

For additional information, *please refer to "Risk Factors" in Item 1A.*

Subsequent Event

On February 3, 2016, Cisco Systems, Inc. announced its agreement to acquire Jasper Technologies, Inc. ("**Jasper**"), a company in which we own a 7.6% equity interest. Jasper management has informed us that, based on this interest, we should expect to receive approximately $85 million in cash, subject to final transaction costs and working capital adjustments. We expect to receive approximately $77 million at the close of the transaction and the remaining $8 million after this amount is retained in escrow for 18 months. We anticipate that this transaction, which is subject to customary closing conditions, will close during the third quarter of 2016.

As of December 31, 2015, our investment in Jasper is recorded on our consolidated statement of financial condition (under the cost basis of accounting) at $10.2 million. We currently intend to exclude this investment gain from adjusted net income

because it is not part of our core operating results. This gain will be recognized in our US GAAP net income as of the closing date of the transaction.

Assets Under Management

Assets under management by distribution channel are as follows:

	As of December 31,			% Change	
	2015	2014	2013	2015-14	2014-13
	(in billions)				
Institutions	$ 236.2	$ 237.0	$ 226.0	(0.4)%	4.9%
Retail	154.4	161.5	153.0	(4.4)	5.6
Private Wealth Management	76.8	75.5	71.4	1.8	5.7
Total	**$ 467.4**	**$ 474.0**	**$ 450.4**	**(1.4)**	**5.2**

Assets under management by investment service are as follows:

	As of December 31,			% Change	
	2015	2014	2013	2015-14	2014-13
	(in billions)				
Equity					
Actively Managed	$ 110.6	$ 112.5	$ 107.8	(1.7)%	4.3%
Passively Managed [1]	46.4	50.4	49.3	(8.1)	2.4
Total Equity	**157.0**	**162.9**	**157.1**	**(3.7)**	**3.7**
Fixed Income					
Actively Managed					
Taxable	207.4	219.4	211.0	(5.4)	4.0
Tax-exempt	33.5	31.6	28.7	5.9	10.2
	240.9	251.0	239.7	(4.0)	4.8
Passively Managed [1]	10.0	10.1	9.3	(1.0)	7.7
Total Fixed Income	**250.9**	**261.1**	**249.0**	**(3.9)**	**4.9**
Other [2]	**59.5**	**50.0**	**44.3**	**19.1**	**12.7**
Total	**$ 467.4**	**$ 474.0**	**$ 450.4**	**(1.4)**	**5.2**

(1) Includes index and enhanced index services.
(2) Includes multi-asset solutions and services and certain alternative investments.

Changes in assets under management during 2015 and 2014 are as follows:

	Distribution Channel			
	Institutions	Retail	Private Wealth Management	Total
	(in billions)			
Balance as of December 31, 2014	$ 237.0	$ 161.5	$ 75.5	$ 474.0
Long-term flows:				
Sales/new accounts	29.8	35.8	5.3	70.9
Redemptions/terminations	(16.4)	(36.0)	(1.8)	(54.2)
Cash flow/unreinvested dividends	(6.5)	(3.3)	(3.7)	(13.5)
Net long-term inflows (outflows)	6.9	(3.5)	(0.2)	3.2
Transfers	(0.3)	(0.1)	0.4	—
AUM adjustment[3]	0.1	(0.3)	0.2	—
Market (depreciation) appreciation	(7.5)	(3.2)	0.9	(9.8)
Net change	(0.8)	(7.1)	1.3	(6.6)
Balance as of December 31, 2015	**$ 236.2**	**$ 154.4**	**$ 76.8**	**$ 467.4**
Balance as of December 31, 2013	$ 226.0	$ 153.0	$ 71.4	$ 450.4
Long-term flows:				
Sales/new accounts	23.9	42.1	6.5	72.5
Redemptions/terminations	(10.7)	(37.5)	(5.5)	(53.7)
Cash flow/unreinvested dividends	(7.7)	(5.1)	(0.9)	(13.7)
Net long-term inflows (outflows)	5.5	(0.5)	0.1	5.1
Acquisitions	0.1	2.8	—	2.9
Transfers	0.3	(0.4)	0.1	—
AUM adjustment[3]	(1.1)	(0.5)	—	(1.6)
Market appreciation	6.2	7.1	3.9	17.2
Net change	11.0	8.5	4.1	23.6
Balance as of December 31, 2014	**$ 237.0**	**$ 161.5**	**$ 75.5**	**$ 474.0**

	Investment Service						
	Equity Actively Managed	Equity Passively Managed[1]	Fixed Income Actively Managed - Taxable	Fixed Income Actively Managed - Tax-Exempt	Fixed Income Passively Managed[1]	Other[2]	Total
	(in billions)						
Balance as of December 31, 2014	$ 112.5	$ 50.4	$ 219.4	$ 31.6	$ 10.1	$ 50.0	$ 474.0
Long-term flows:							
Sales/new accounts	17.0	0.9	34.5	4.8	0.6	13.1	70.9
Redemptions/terminations	(13.8)	(1.3)	(33.0)	(2.8)	(0.5)	(2.8)	(54.2)
Cash flow/unreinvested dividends	(5.5)	(2.7)	(4.5)	(0.9)	(0.1)	0.2	(13.5)
Net long-term (outflows) inflows	(2.3)	(3.1)	(3.0)	1.1	—	10.5	3.2
AUM adjustment[3]	0.1	—	—	(0.1)	—	—	—
Market appreciation (depreciation)	0.3	(0.9)	(9.0)	0.9	(0.1)	(1.0)	(9.8)
Net change	(1.9)	(4.0)	(12.0)	1.9	(0.1)	9.5	(6.6)
Balance as of December 31, 2015	**$ 110.6**	**$ 46.4**	**$ 207.4**	**$ 33.5**	**$ 10.0**	**$ 59.5**	**$ 467.4**
Balance as of December 31, 2013	$ 107.8	$ 49.3	$ 211.0	$ 28.7	$ 9.3	$ 44.3	$ 450.4
Long-term flows:							
Sales/new accounts	15.2	1.7	43.3	4.6	0.6	7.1	72.5
Redemptions/terminations	(14.9)	(1.0)	(29.4)	(3.4)	(0.7)	(4.3)	(53.7)
Cash flow/unreinvested dividends	(5.0)	(3.4)	(7.4)	0.1	0.6	1.4	(13.7)
Net long-term (outflows) inflows	(4.7)	(2.7)	6.5	1.3	0.5	4.2	5.1
Acquisitions	2.9	—	—	—	—	—	2.9
AUM adjustment[3]	(0.1)	—	(1.4)	—	—	(0.1)	(1.6)
Market appreciation	6.6	3.8	3.3	1.6	0.3	1.6	17.2
Net change	4.7	1.1	8.4	2.9	0.8	5.7	23.6
Balance as of December 31, 2014	**$ 112.5**	**$ 50.4**	**$ 219.4**	**$ 31.6**	**$ 10.1**	**$ 50.0**	**$ 474.0**

(1) Includes index and enhanced index services.
(2) Includes multi-asset solutions and services and certain alternative investments.
(3) Represents adjustments to reported AUM for reporting methodology changes that do not represent inflows or outflows.

Average assets under management by distribution channel and investment service are as follows:

	Years Ended December 31,			% Change	
	2015	2014	2013	2015-14	2014-13
	(in billions)				
Distribution Channel:					
Institutions	$ 242.9	$ 234.3	$ 225.4	3.6 %	4.0 %
Retail	160.6	159.6	149.4	0.6	6.8
Private Wealth Management	77.2	73.6	67.9	4.9	8.4
Total	**$ 480.7**	**$ 467.5**	**$ 442.7**	**2.8**	**5.6**
Investment Service:					
Equity Actively Managed	$ 113.2	$ 111.2	$ 100.0	1.7	11.2
Equity Passively Managed[(1)]	49.3	49.6	45.1	(0.6)	9.9
Fixed Income Actively Managed – Taxable	217.7	219.5	221.4	(0.8)	(0.9)
Fixed Income Actively Managed – Tax-exempt	32.6	30.4	30.1	7.2	1.3
Fixed Income Passively Managed[(1)]	10.1	9.7	8.6	4.1	12.6
Other[(2)]	57.8	47.1	37.5	22.7	25.5
Total	**$ 480.7**	**$ 467.5**	**$ 442.7**	**2.8**	**5.6**

(1) Includes index and enhanced index services.
(2) Includes multi-asset solutions and services and certain alternative investments.

During 2015, our Institutional channel average AUM of $242.9 billion increased $8.6 billion, or 3.6%, compared to 2014; however, our Institutional AUM decreased $0.8 billion, or 0.4%, to $236.2 billion over the last twelve months. The $0.8 billion decrease in AUM for 2015 primarily resulted from market depreciation of $7.5 billion, which was concentrated in the third quarter of 2015, offset by net inflows of $6.9 billion, consisting of inflows of $9.7 billion in other and $1.7 billion in fixed income, offset by outflows of $4.5 billion in equity services. During 2014, our Institutions channel average AUM of $234.3 billion increased by $8.9 billion, or 4.0%, compared to 2013, primarily due to our Institutional AUM increasing $11.0 billion, or 4.9%, during 2014 to $237.0 billion at December 31, 2014. The $11.0 billion increase in AUM during 2014 primarily was due to market appreciation of $6.2 billion and $5.5 billion of net inflows (consisting of inflows of $6.4 billion in fixed income services and $1.4 billion in other services, offset by outflows of $2.3 billion in equity services), offset by the $1.1 billion AUM adjustment we made in the third quarter of 2014.

During 2015, our Retail channel average AUM of $160.6 billion increased $1.0 billion, or 0.6%, compared to 2014; however, our Retail channel AUM decreased $7.1 billion, or 4.4%, to $154.4 billion over the last twelve months. The $7.1 billion decrease in AUM for 2015 primarily resulted from net outflows of $3.5 billion (primarily fixed income) and market depreciation of $3.2 billion (market depreciation during the third quarter of 2015 was $8.6 billion). During 2014, our Retail channel average AUM of $159.6 billion increased by $10.2 billion, or 6.8%, compared to 2013, primarily due to our Retail AUM increasing $8.5 billion, or 5.6%, during 2014 to $161.5 billion at December 31, 2014. The $8.5 billion increase in AUM during 2014 primarily was due to market appreciation of $7.1 billion and $2.8 billion of new assets from acquisitions, offset by net outflows of $0.5 billion (consisting of outflows of $4.0 billion in equity services, offset by inflows of $1.9 billion in fixed income services and $1.6 billion in other services) and the $0.5 billion AUM adjustment we made in the fourth quarter of 2014.

During 2015, our Private Wealth Management channel average AUM of $77.2 billion increased $3.6 billion, or 4.9%, compared to 2014. In addition, our Private Wealth Management channel AUM increased $1.3 billion, or 1.8%, to $76.8 billion over the last twelve months. The $1.3 billion increase in AUM for 2015 primarily resulted from $0.9 billion in market appreciation (although $3.2 billion of market depreciation occurred in the third quarter of 2015), offset by net outflows of $0.2 billion. During 2014, our Private Wealth Management channel average AUM of $73.6 billion increased by $5.7 billion, or 8.4%, compared to 2013, primarily due to our Private Wealth Management AUM increasing $4.1 billion, or 5.7%, during 2014 to $75.5 billion at December 31, 2014. The $4.1 billion increase in AUM during 2014 was primarily due to $3.9 billion of market

appreciation and net inflows of $0.1 billion (consisting of inflows of $1.2 billion in other services, offset by outflows of $1.1 billion in equity services).

Absolute investment composite returns, gross of fees, and relative performance as of December 31, 2015 compared to benchmarks for certain representative Institutional equity and fixed income services are as follows:

	1-Year	3-Year	5-Year
Global High Income - Hedged (fixed income)			
Absolute return	(3.5)%	2.3 %	5.4 %
Relative return (vs. Barclays Global High Yield Index - Hedged)	(2.8)	(0.4)	(0.6)
Global Fixed Income (fixed income)			
Absolute return	(3.3)	(2.8)	1.4
Relative return (vs. CITI WLD GV BD-USD/JPM GLBL BD)	0.3	(0.1)	1.5
Intermediate Municipal Bonds (fixed income)			
Absolute return	2.7	2.2	3.5
Relative return (vs. Lipper Short/Int. Blended Muni Fund Avg)	1.1	0.8	0.7
U.S. Strategic Core Plus (fixed income)			
Absolute return	0.9	2.0	3.9
Relative return (vs. Barclays U.S. Aggregate Index)	0.3	0.6	0.6
Emerging Market Debt (fixed income)			
Absolute return	(2.4)	(1.1)	4.5
Relative return (vs. JPM EMBI Global/JPM EMBI)	(3.6)	(1.1)	(0.6)
Global Plus (fixed income)			
Absolute return	(3.5)	(1.9)	1.2
Relative return (vs. Barclays Global Aggregate Index)	(0.3)	(0.2)	0.3
Emerging Markets Value			
Absolute return	(16.5)	(7.4)	(6.5)
Relative return (vs. MSCI EM Index)	(1.6)	(0.6)	(1.7)
Global Strategic Value			
Absolute return	(3.1)	12.1	6.2
Relative return (vs. MSCI ACWI Index)	(0.8)	4.4	0.1
U.S. Small & Mid Cap Value			
Absolute return	(4.7)	13.4	10.1
Relative return (vs. Russell 2500 Value Index)	0.8	2.9	0.9
U.S. Strategic Value			
Absolute return	(7.1)	14.1	9.6
Relative return (vs. Russell 1000 Value Index)	(3.3)	1.0	(1.6)
U.S. Small Cap Growth			
Absolute return	0.1	13.5	12.3
Relative return (vs. Russell 2000 Growth Index)	1.5	(0.8)	1.6
U.S. Large Cap Growth			
Absolute return	11.9	21.3	15.5
Relative return (vs. Russell 1000 Growth Index)	6.2	4.5	2.0
U.S. Small & Mid Cap Growth			
Absolute return	0.1	13.4	12.1
Relative return (vs. Russell 2500 Growth Index)	0.3	(1.2)	0.6

	1-Year	3-Year	5-Year
Concentrated U.S. Growth			
Absolute return	1.9	17.8	14.7
Relative return (vs. S&P 500 Index)	0.5	2.6	2.1
Select U.S. Equity			
Absolute return	2.1	15.5	13.8
Relative return (vs. S&P 500 Index)	0.7	0.4	1.2
Strategic Equities (inception June 30, 2012)			
Absolute return	3.7	16.2	N/A
Relative return (vs. All Cap Index)	2.7	1.3	N/A
Global Core Equity (inception June 30, 2011)			
Absolute return	(1.7)	9.3	N/A
Relative return (vs. MSCI ACWI Index)	0.7	1.6	N/A

Consolidated Results of Operations

	Years Ended December 31,			% Change	
	2015	2014	2013	2015-14	2014-13
	(in thousands, except per unit amounts)				
Net revenues	$ 3,020,727	$ 3,005,366	$ 2,915,047	0.5 %	3.1 %
Expenses	2,389,628	2,396,745	2,350,796	(0.3)	2.0
Operating income	631,099	608,621	564,251	3.7	7.9
Income taxes	38,122	37,782	36,829	0.9	2.6
Net income	592,977	570,839	527,422	3.9	8.2
Net income of consolidated entities attributable to non-controlling interests	6,375	456	9,746	1,298.0	(95.3)
Net income attributable to AB Unitholders	$ 586,602	$ 570,383	$ 517,676	2.8	10.2
Diluted net income per AB Unit	$ 2.13	$ 2.09	$ 1.88	1.9	11.2
Distributions per AB Unit	$ 2.11	$ 2.08	$ 1.97	1.4	5.6
Operating margin[(1)]	20.7%	20.2%	19.0%		

(1) Operating income excluding net income (loss) attributable to non-controlling interests as a percentage of net revenues.

Net income attributable to AB Unitholders for the year ended December 31, 2015 increased $16.2 million from the year ended December 31, 2014. The increase is primarily due to (in millions):

Higher base advisory fees	$ 45.1
2015 investment gains compared to 2014 investment losses	12.6
Higher Bernstein Research Services revenues	10.9
Lower performance-based fees	(29.5)
Lower other revenues	(7.6)
Higher net income of consolidated entities attributable to non-controlling interests	(5.9)
Higher general and administrative expenses	(5.6)
Other	(3.8)
	$ 16.2

Net income attributable to AB Unitholders for the year ended December 31, 2014 increased $52.7 million from the year ended December 31, 2013. The increase is primarily due to (in millions):

Higher base advisory fees	$	109.5
Higher Bernstein Research Services revenues		37.4
Lower real estate charges		28.3
Higher employee compensation and benefits		(53.7)
2014 investment losses compared to 2013 investment gains		(42.3)
Higher other promotion and servicing		(20.0)
Other		(6.5)
	$	52.7

Real Estate Charges

During 2010, we performed a comprehensive review of our real estate requirements in New York in connection with our workforce reductions, which commenced in 2008. As a result, during 2010 we decided to sub-lease over 380,000 square feet in New York (all of this space has been sublet) and consolidate our New York-based employees into two office locations from three. During the third quarter of 2012, in an effort to further reduce our global real estate footprint, we completed a comprehensive review of our worldwide office locations and began implementing a global space consolidation plan. As a result, our intention is to sub-lease approximately 510,000 square feet of office space (in excess of 90% of this space has been sublet), more than 70% of which is New York office space (in addition to the 380,000 square feet space reduction in 2010), with the remainder consisting of office space in England, Australia and various U.S. locations.

During 2013, we recorded pre-tax real estate charges of $28.4 million, comprising $17.4 million from a change in estimates related to previously recorded real estate charges, new real estate charges of $6.6 million and $4.4 million for the write-off of leasehold improvements, furniture and equipment.

During 2014, we recorded pre-tax real estate charges of $0.1 million, comprising $5.5 million for the write-off of leasehold improvements, furniture and equipment, offset by $4.7 million from a change in estimates related to previously recorded real estate charges and $0.7 million in credits related to other items.

During 2015, we recorded pre-tax real estate charges of $1.0 million, resulting from a change in estimates related to previously recorded real estate charges.

During the first quarter of 2016, we will vacate and market for sublease two floors in New York. We currently expect to record real estate charges of approximately $29 million, which we anticipate will generate approximately $3.5 million of annualized savings assuming we can successfully sublease the office space based upon our current assumptions.

Units Outstanding

Each quarter, we implement plans to repurchase AB Holding Units pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended ("**Exchange Act**"). A Rule 10b5-1 plan allows a company to repurchase its shares at times when it otherwise might be prevented from doing so because of self-imposed trading blackout periods or because it possesses material non-public information. Each broker we select has the authority under the terms and limitations specified in the plan to repurchase AB Holding Units on our behalf in accordance with the terms of the plan. Repurchases are subject to regulations promulgated by the SEC as well as certain price, market volume and timing constraints specified in the plan. The plan adopted during the fourth quarter of 2015 expired at the close of business on February 10, 2016. We may adopt additional Rule 10b5-1 plans in the future to engage in open-market purchases of AB Holding Units to help fund anticipated obligations under our incentive compensation award program and for other corporate purposes.

Cash Distributions

We are required to distribute all of our Available Cash Flow, as defined in the AB Partnership Agreement, to our Unitholders and the General Partner. Available Cash Flow typically is the adjusted diluted net income per unit for the quarter multiplied by the number of general and limited partnership interests at the end of the quarter. In future periods, management anticipates that Available Cash Flow will continue to be based on adjusted diluted net income per unit, unless management determines that one or more non-GAAP adjustments that are made for adjusted net income should not be made with respect to the Available Cash Flow calculation. *See Note 2 to our consolidated financial statements contained in Item 8* for a description of Available Cash Flow.

Management Operating Metrics

We are providing the non-GAAP measures “adjusted net revenues”, “adjusted operating income” and “adjusted operating margin” because they are the principal operating metrics management uses in evaluating and comparing period-to-period operating performance. Management principally uses these metrics in evaluating performance because they present a clearer picture of our operating performance and allow management to see long-term trends without the distortion primarily caused by long-term incentive compensation-related mark-to-market adjustments, real estate consolidation charges and other adjustment items. Similarly, we believe that these management operating metrics help investors better understand the underlying trends in our results and, accordingly, provide a valuable perspective for investors.

These non-GAAP measures are provided in addition to, and not as substitutes for, net revenues, operating income and operating margin, and they may not be comparable to non-GAAP measures presented by other companies. Management uses both accounting principles generally accepted in the United States of America ("**US GAAP**") and non-GAAP measures in evaluating our financial performance. The non-GAAP measures alone may pose limitations because they do not include all of our revenues and expenses.

	Years Ended December 31,		
	2015	**2014**	**2013**
		(in thousands)	
Net revenues, US GAAP basis	**$ 3,020,727**	**$ 3,005,366**	**$ 2,915,047**
Exclude:			
Long-term incentive compensation-related investment losses (gains)	1,903	(2,184)	(16,842)
Long-term incentive compensation-related dividends and interest	(1,938)	(3,083)	(2,557)
90% of consolidated venture capital fund investment (gains)	(7,117)	(1,165)	(10,609)
Distribution-related payments	(393,033)	(413,054)	(426,824)
Amortization of deferred sales commissions	(49,145)	(41,508)	(41,279)
Pass-through fees and expenses	(47,479)	(38,852)	(32,879)
Adjusted net revenues	**$ 2,523,918**	**$ 2,505,520**	**$ 2,384,057**
Operating income, US GAAP basis	**$ 631,099**	**$ 608,621**	**$ 564,251**
Exclude:			
Long-term incentive compensation-related items	131	210	(405)
Real estate charges	998	52	28,424
Acquisition-related expenses	—	3,448	3,373
Contingent payment arrangements	(7,212)	(4,375)	(10,840)
Sub-total of non-GAAP adjustments	(6,083)	(665)	20,552
Less: Net income of consolidated entities attributable to non-controlling interests	6,375	456	9,746
Adjusted operating income	**$ 618,641**	**$ 607,500**	**$ 575,057**
Adjusted operating margin	**24.5%**	**24.2%**	**24.1%**

Adjusted operating income for the year ended December 31, 2015 increased $11.1 million, or 1.8%, from the year ended December 31, 2014, primarily due to higher investment advisory base fees of $36.5 million, higher Bernstein Research Services revenue of $10.9 million and lower investment losses of $10.8 million, offset by lower performance-based fees of $29.5 million, higher employee compensation expense (excluding the impact of long-term incentive compensation-related items) of $10.3 million and lower other revenues of $7.6 million. Adjusted operating income for the year ended December 31, 2014 increased $32.4 million, or 5.6%, from the year ended December 31, 2013, primarily as a result of higher investment advisory base fees of $107.0 million and higher Bernstein Research Services revenue of $37.4 million, offset by higher employee compensation expense (excluding the impact of long-term incentive compensation-related items) of $65.8 million, higher other promotion and servicing expenses of $16.5 million, investment losses in 2014 compared to investment gains in 2013 of $18.3 million and lower net distribution revenues of $6.9 million.

Adjusted Net Revenues

Adjusted net revenues exclude investment gains and losses and dividends and interest on employee long-term incentive compensation-related investments, and the 90% of the investment gains and losses of our consolidated venture capital fund attributable to non-controlling interests. In addition, adjusted net revenues offset distribution-related payments to third parties as well as amortization of deferred sales commissions against distribution revenues. We believe offsetting net revenues by distribution-related payments is useful for our investors and other users of our financial statements because such presentation appropriately reflects the nature of these costs as pass-through payments to third parties who perform functions on behalf of our sponsored mutual funds and/or shareholders of these funds. We offset amortization of deferred sales commissions against net revenues because such costs, over time, essentially offset our distribution revenues. We also exclude additional pass-through expenses we incur (primarily through our transfer agency) that are reimbursed and recorded as fees in revenues. These fees have no impact on operating income, but they do have an impact on our operating margin. As such, we exclude these fees from adjusted net revenues.

Adjusted Operating Income

Adjusted operating income represents operating income on a US GAAP basis excluding (1) the impact on net revenues and compensation expense of the investment gains and losses (as well as the dividends and interest) associated with employee long-term incentive compensation-related investments, (2) real estate charges, (3) acquisition-related expenses, (4) adjustments to contingent payment arrangements and (5) the net income or loss of consolidated entities attributable to non-controlling interests.

Prior to 2009, a significant portion of employee compensation was in the form of employee long-term incentive compensation awards that were notionally invested in AB investment services and generally vested over a period of four years. AB economically hedged the exposure to market movements by purchasing and holding these investments on its balance sheet. All such investments had vested as of year-end 2012 and the investments have been distributed to the participants, except for those investments with respect to which the participant elected a long-term deferral. Fluctuation in the value of these investments is recorded within investment gains and losses on the income statement and also impacts compensation expense. Management believes it is useful to reflect the offset achieved from economically hedging the market exposure of these investments in the calculation of adjusted operating income and adjusted operating margin. The non-GAAP measures exclude gains and losses and dividends and interest on employee long-term incentive compensation-related investments included in revenues and compensation expense.

Real estate charges have been excluded because they are not considered part of our core operating results when comparing financial results from period to period and to industry peers.

Acquisition-related expenses, primarily severance and professional fees incurred as a result of our acquisitions in the fourth quarter of 2013 and the second quarter of 2014, have been excluded because they are not considered part of our core operating results when comparing financial results from period to period and to industry peers.

The recording of changes in estimates of the contingent consideration payable with respect to contingent payment arrangements associated with our 2014 and 2010 acquisitions are not considered part of our core operating results and, accordingly, have been excluded.

Most of the net income or loss of consolidated entities attributable to non-controlling interests relates to the 90% limited partner interests held by third parties in our consolidated venture capital fund. We own a 10% limited partner interest in the fund. Because we are the general partner of the venture capital fund and are deemed to have a controlling interest, US GAAP requires that we consolidate the financial results of the fund. However, recognizing 100% of the gains or losses in operating income while only retaining 10% is not reflective of our underlying financial results at the operating income level. As a result, we exclude the 90% limited partner interests we do not own from our adjusted operating income. Similarly, net income of joint ventures attributable to non-controlling interests, although not significant, is excluded because it does not reflect the economic interest attributable to AB.

Adjusted Operating Margin

Adjusted operating margin allows us to monitor our financial performance and efficiency from period to period without the volatility *noted above in our discussion of adjusted operating income* and to compare our performance to industry peers on a basis that better reflects our performance in our core business. Adjusted operating margin is derived by dividing adjusted operating income by adjusted net revenues.

Net Revenues

The components of net revenues are as follows:

	Years Ended December 31,			% Change	
	2015	2014	2013	2015-14	2014-13
	(in thousands)				
Investment advisory and services fees:					
Institutions:					
Base fees	$ 421,964	$ 410,139	$ 401,979	2.9 %	2.0 %
Performance-based fees	12,496	22,967	36,129	(45.6)	(36.4)
	434,460	433,106	438,108	0.3	(1.1)
Retail:					
Base fees	847,246	846,418	817,595	0.1	3.5
Performance-based fees	8,807	20,559	7,359	(57.2)	179.4
	856,053	866,977	824,954	(1.3)	5.1
Private Wealth Management:					
Base fees	680,881	648,457	575,956	5.0	12.6
Performance-based fees	2,443	9,710	10,087	(74.8)	(3.7)
	683,324	658,167	586,043	3.8	12.3
Total:					
Base fees	1,950,091	1,905,014	1,795,530	2.4	6.1
Performance-based fees	23,746	53,236	53,575	(55.4)	(0.6)
	1,973,837	1,958,250	1,849,105	0.8	5.9
Bernstein Research Services	493,463	482,538	445,083	2.3	8.4
Distribution revenues	427,156	444,970	465,424	(4.0)	(4.4)
Dividend and interest income	24,872	22,322	19,962	11.4	11.8
Investment gains (losses)	3,551	(9,076)	33,339	n/m	n/m
Other revenues	101,169	108,788	105,058	(7.0)	3.6
Total revenues	3,024,048	3,007,792	2,917,971	0.5	3.1
Less: Interest expense	3,321	2,426	2,924	36.9	(17.0)
Net revenues	**$ 3,020,727**	**$ 3,005,366**	**$ 2,915,047**	**0.5**	**3.1**

Investment Advisory and Services Fees

Investment advisory and services fees are the largest component of our revenues. These fees generally are calculated as a percentage of the value of AUM as of a specified date, or as a percentage of the value of average AUM for the applicable billing period, and vary with the type of investment service, the size of account and the total amount of assets we manage for a particular client. Accordingly, fee income generally increases or decreases as AUM increase or decrease and is affected by market appreciation or depreciation, the addition of new client accounts or client contributions of additional assets to existing accounts, withdrawals of assets from and termination of client accounts, purchases and redemptions of mutual fund shares, shifts of assets between accounts or products with different fee structures, and acquisitions. Our average basis points realized (investment advisory and services fees divided by average AUM) generally approximate 50 to 70 basis points for actively-managed equity services, 15 to 50 basis points for actively-managed fixed income services and 5 to 20 basis points for passively-managed services. Average basis points realized for other services range from 5 basis points for certain Institutional asset allocation services to over 100 basis points for certain Retail and Private Wealth Management alternative services.

We calculate AUM using established market-based valuation methods and fair valuation (non-observable market) methods. Market-based valuation methods include: last sale/settle prices from an exchange for actively-traded listed equities, options and futures; evaluated bid prices from recognized pricing vendors for fixed income, asset-backed or mortgage-backed issues; mid prices from recognized pricing vendors and brokers for credit default swaps; and quoted bids or spreads from pricing vendors and brokers for other derivative products. Fair valuation methods include: discounted cash flow models, evaluation of assets versus liabilities or any other methodology that is validated and approved by our Valuation Committee (*see paragraph immediately below* for more information regarding our Valuation Committee). Fair valuation methods are used only where

AUM cannot be valued using market-based valuation methods, such as in the case of private equity or illiquid securities. Investments utilizing fair valuation methods comprise an insignificant amount of our total AUM.

The Valuation Committee, which is composed of senior officers and employees, is responsible for overseeing the pricing and valuation of all investments held in client and AB portfolios. The Valuation Committee has adopted a Statement of Pricing Policies describing principles and policies that apply to pricing and valuing investments held in these portfolios. We also have a Pricing Group, which reports to the Valuation Committee, and is responsible for overseeing the pricing process for all investments.

We sometimes charge our clients performance-based fees. In these situations, we charge a base advisory fee and are eligible to earn an additional performance-based fee or incentive allocation that is calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time. Some performance-based fees include a high-watermark provision, which generally provides that if a client account underperforms relative to its performance target (whether absolute or relative to a specified benchmark), it must gain back such underperformance before we can collect future performance-based fees. Therefore, if we fail to achieve our performance target for a particular period, we will not earn a performance-based fee for that period and, for accounts with a high-watermark provision, our ability to earn future performance-based fees will be impaired. We are eligible to earn performance-based fees on 10.1%, 4.2% and 1.1% of the assets we manage for institutional clients, private wealth clients and retail clients, respectively (in total, 6.1% of our AUM).

Our investment advisory and services fees increased $15.6 million, or 0.8%, in 2015, primarily due to a $45.1 million, or 2.4%, increase in base fees, which primarily resulted from a 2.8% increase in average AUM. The increase in base fees was partially offset by a $29.5 million, or 55.4%, decrease in performance-based fees. The decrease in performance-based fees primarily resulted from major equity market declines during the year. Our investment advisory and services fees increased $109.1 million, or 5.9%, in 2014, primarily due to a $109.5 million, or 6.1%, increase in base fees, which primarily resulted from a 5.6% increase in average AUM.

Institutional investment advisory and services fees increased $1.4 million, or 0.3%, in 2015, primarily due to an $11.8 million, or 2.9%, increase in base fees, which primarily resulted from a 3.6% increase in average AUM. The increase in base fees was partially offset by a $10.4 million, or 45.6%, decrease in performance-based fees. Institutional investment advisory and services fees decreased $5.0 million, or 1.2%, in 2014, due to a $13.1 million decrease in performance-based fees, offset by an $8.1 million, or 2.0%, increase in base fees. The base fee increase primarily resulted from a 4.0% increase in average AUM.

Retail investment advisory and services fees decreased $10.9 million, or 1.3%, in 2015, primarily due to an $11.7 million, or 57.2%, decrease in performance based fees, offset by a $0.8 million, or 0.1%, increase in base fees. Retail average AUM increased 0.6% in 2015. Retail investment advisory and services fees increased $42.0 million, or 5.1%, in 2014, due to a $28.9 million, or 3.5%, increase in base fees and a $13.1 million increase in performance-based fees. The base fee increase primarily was the result of a 6.8% increase in average AUM. The increase in base fees as compared to the increase in average AUM primarily is due to a shift in product mix from long-term non-U.S. global fixed income mutual funds to long-term U.S. mutual funds and other Retail products and services, which generally have lower fees as compared to long-term non-U.S. global fixed income mutual funds.

Private Wealth Management investment advisory and services fees increased $25.2 million, or 3.8%, in 2015, primarily due to a $32.4 million, or 5.0%, increase in base fees, which primarily resulted from an increase in average billable AUM of 4.7%. The increase in base fees was partially offset by a $7.2 million decrease in performance-based fees. Private Wealth Management investment advisory and services fees increased $72.1 million, or 12.3%, in 2014, due to a $72.5 million, or 12.6%, increase in base fees, which primarily resulted from an 8.7% increase in average billable AUM. Base fees were favorably impacted by a shift in product mix toward actively-managed equity and other services.

Bernstein Research Services

Bernstein Research Services revenue consists principally of equity commissions received for providing equity research and brokerage-related services to institutional investors.

Revenue from Bernstein Research Services increased $10.9 million, or 2.3%, in 2015. The increase was the result of growth in the U.S. and Asia, partially offset by a combination of pricing pressure in Europe and weakness in European currencies compared to the U.S. dollar. Revenues from Bernstein Research Services increased $37.4 million, or 8.4%, in 2014 as a result of strong growth across all regions and trading services.

Distribution Revenues

Two of our subsidiaries act as distributors and/or placement agents of company-sponsored mutual funds and receive distribution services fees from certain of those funds as partial reimbursement of the distribution expenses they incur. Period-over-period fluctuations of distribution revenues typically are in line with fluctuations of the corresponding average AUM of these mutual funds.

Distribution revenues decreased $17.8 million, or 4.0%, in 2015, while the corresponding average AUM of these mutual funds decreased 2.8%. Distribution revenues decreased $20.4 million, or 4.4%, in 2014, while the corresponding average AUM of these mutual funds decreased 3.0%. Average AUM of non B-share and non C-share mutual funds (which have lower distribution fee rates than B-share and C-share mutual funds) decreased 2.5%, while average AUM of B-share and C-share mutual funds decreased by 5.8%.

Dividend and Interest Income and Interest Expense

Dividend and interest income consists primarily of investment income and interest earned on customer margin balances and U.S. Treasury Bills. Interest expense principally reflects interest accrued on cash balances in customers' brokerage accounts. Dividend and interest income, net of interest expense, increased $1.7 million and $2.8 million, respectively, in 2015 and 2014.

Investment Gains (Losses)

Investment gains (losses) consist primarily of realized and unrealized investment gains or losses on: (i) employee long-term incentive compensation-related investments, (ii) investments owned by our consolidated venture capital fund, (iii) U.S. Treasury Bills, (iv) market-making in exchange-traded options and equities, (v) seed capital investments and (vi) derivatives. Investment gains (losses) also include realized gains or losses on the sale of seed capital investments classified as available-for-sale securities and equity in earnings of proprietary investments in limited partnership hedge funds that we sponsor and manage.

Investment gains (losses) are as follows:

	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
Long-term incentive compensation-related investments			
Realized gains (losses)	$ 3,687	$ 3,089	$ 1,857
Unrealized gains (losses)	(5,589)	(905)	14,985
Consolidated private equity fund investments			
Realized gains (losses)			
Non-public investments	1,983	—	(6,578)
Public securities	(5,500)	7,052	(3,781)
	(3,517)	7,052	(10,359)
Unrealized gains (losses)			
Non-public investments	1,396	5,065	11,368
Public securities	10,028	(10,822)	10,780
	11,424	(5,757)	22,148
Seed capital investments			
Realized gains (losses)			
Seed capital	23,007	22,336	21,289
Derivatives	11,448	(18,662)	(20,665)
	34,455	3,674	624
Unrealized gains (losses)			
Seed capital	(34,830)	(7,421)	9,938
Derivatives	3,724	(615)	1,557
	(31,106)	(8,036)	11,495
Brokerage-related investments			
Realized gains (losses)	(5,653)	(9,728)	(7,605)
Unrealized gains (losses)	(150)	1,535	194
	$ 3,551	**$ (9,076)**	**$ 33,339**

Other Revenues

Other revenues consist of fees earned for transfer agency services provided to company-sponsored mutual funds, fees earned for administration and recordkeeping services provided to company-sponsored mutual funds and the general accounts of AXA and its subsidiaries, and other miscellaneous revenues. Other revenues decreased $7.6 million, or 7.0%, in 2015 primarily due to lower shareholder servicing fees and mutual fund reimbursements. Other revenues increased $3.8 million, or 3.6%, in 2014 primarily due to higher brokerage income and mutual fund reimbursements.

Expenses

The components of expenses are as follows:

	Years Ended December 31,			% Change	
	2015	2014	2013	2015-14	2014-13
	(in thousands)				
Employee compensation and benefits	$ 1,267,926	$ 1,265,664	$ 1,212,011	0.2 %	4.4 %
Promotion and servicing:					
Distribution-related payments	393,033	413,054	426,824	(4.8)	(3.2)
Amortization of deferred sales commissions	49,145	41,508	41,279	18.4	0.6
Other promotion and servicing	223,415	224,576	204,568	(0.5)	9.8
	665,593	679,138	672,671	(2.0)	1.0
General and administrative:					
General and administrative	431,635	426,960	423,043	1.1	0.9
Real estate charges	998	52	28,424	1,819.2	(99.8)
	432,633	427,012	451,467	1.3	(5.4)
Contingent payment arrangements	(5,441)	(2,782)	(10,174)	95.6	(72.7)
Interest	3,119	2,797	2,962	11.5	(5.6)
Amortization of intangible assets	25,798	24,916	21,859	3.5	14.0
Total	**$ 2,389,628**	**$ 2,396,745**	**$ 2,350,796**	**(0.3)**	**2.0**

Employee Compensation and Benefits

Employee compensation and benefits consist of base compensation (including salaries and severance), annual short-term incentive compensation awards (cash bonuses), annual long-term incentive compensation awards, commissions, fringe benefits and other employment costs (including recruitment, training, temporary help and meals).

Compensation expense as a percentage of net revenues was 42.0%, 42.1% and 41.6% for the years ended December 31, 2015, 2014 and 2013, respectively. Compensation expense generally is determined on a discretionary basis and is primarily a function of our firm's current-year financial performance. The amounts of incentive compensation we award are designed to motivate, reward and retain top talent while aligning our executives' interests with the interests of our Unitholders. Senior management, with the approval of the Compensation Committee of the Board of Directors of AllianceBernstein Corporation ("**Compensation Committee**"), periodically confirms that the appropriate metric to consider in determining the amount of incentive compensation is the ratio of adjusted employee compensation and benefits expense to adjusted net revenues. Adjusted net revenues used in the adjusted compensation ratio are the same as the adjusted net revenues presented as a non-GAAP measure (*discussed earlier in this Item 7*). Adjusted employee compensation and benefits expense is total employee compensation and benefits expense minus other employment costs such as recruitment, training, temporary help and meals (which were 1.3%, 1.2% and 1.1% of adjusted net revenues for 2015, 2014 and 2013, respectively), and excludes the impact of mark-to-market vesting expense, as well as dividends and interest expense, associated with employee long-term incentive compensation-related investments. Senior management, with the approval of the Compensation Committee, has established as an objective that adjusted employee compensation and benefits expense generally should not exceed 50% of our adjusted net revenues, except in unexpected or unusual circumstances. Our ratios of adjusted compensation expense as a percentage of adjusted net revenues were 48.9%, 49.1% and 48.7%, respectively, for the years ended December 31, 2015, 2014 and 2013.

In 2015, employee compensation and benefits expense increased $2.3 million, or 0.2%, primarily due to higher base compensation ($16.3 million) and fringes/other ($6.0 million), offset by lower commissions ($14.0 million) and incentive compensation ($6.0 million). In 2014, employee compensation and benefits expense increased $53.7 million, or 4.4%, primarily due to higher incentive compensation ($33.3 million) and base compensation ($30.8 million), offset by lower commissions ($13.8 million).

Promotion and Servicing

Promotion and servicing expenses include distribution-related payments to financial intermediaries for distribution of AB mutual funds and amortization of deferred sales commissions paid to financial intermediaries for the sale of back-end load

shares of AB mutual funds. Also included in this expense category are costs related to travel and entertainment, advertising and promotional materials.

Promotion and servicing expenses decreased $13.5 million, or 2.0%, in 2015. The decrease primarily was the result of lower distribution-related payments of $20.0 million, lower marketing of $3.2 million and lower travel and entertainment of $1.6 million, offset by higher amortization of deferred sales commissions of $7.6 million and higher trade execution and clearing costs of $3.7 million. Promotion and servicing expenses increased $6.4 million, or 1.0%, in 2014. The increase primarily was the result of higher trade execution and clearing costs of $8.7 million, higher marketing and communications costs of $7.2 million, higher transfer fees of $2.2 million and higher travel and entertainment of $1.9 million, offset by lower distribution-related payments of $13.8 million.

General and Administrative

General and administrative expenses include portfolio services expenses, technology expenses, professional fees and office-related expenses (occupancy, communications and similar expenses). General and administrative expenses as a percentage of net revenues were 14.3%, 14.2% and 15.5% (14.5% excluding real estate charges) for the years ended December 31, 2015, 2014 and 2013, respectively. General and administrative expenses increased $5.6 million, or 1.3%, in 2015, primarily due to higher portfolio services expenses of $8.5 million and higher technology expenses of $3.6 million, offset by lower office- related expenses of $3.1 million and lower impact of foreign exchange rates of $2.7 million (the result of current year gains compared to prior year losses). General and administrative expenses decreased $24.4 million, or 5.4%, in 2014, primarily due to lower real estate charges of $28.3 million, offset by higher portfolio services expenses of $5.0 million.

Contingent Payment Arrangements

Contingent payment arrangements reflect changes in estimates of contingent payment liabilities associated with acquisitions in previous periods, as well as accretion expense of these liabilities. The credit to operating expenses of $5.4 million in 2015 reflects changes in estimate of the contingent consideration payable relating to our 2014 and 2010 acquisitions of $7.2 million recorded in the fourth quarter of 2015, offset by the accretion expense of $1.8 million. The credit to operating expenses of $2.8 million in 2014 reflects the change in estimate of the contingent consideration payable relating to a 2010 acquisition of $4.4 million recorded in the fourth quarter of 2014, offset by the accretion expense of $1.6 million. The credit to operating expenses of $10.2 million in 2013 reflects the change in estimate of the contingent consideration payable relating to a 2010 acquisition of $10.8 million recorded in the fourth quarter of 2013, offset by accretion expense of $0.6 million.

Income Taxes

AB, a private limited partnership, is not subject to federal or state corporate income taxes, but is subject to a 4.0% New York City unincorporated business tax ("**UBT**"). Our domestic corporate subsidiaries are subject to federal, state and local income taxes and generally are included in the filing of a consolidated federal income tax return. Separate state and local income tax returns also are filed. Foreign corporate subsidiaries generally are subject to taxes in the jurisdictions where they are located.

Income tax expense increased $0.3 million, or 0.9%, in 2015 compared to 2014 primarily due to higher pre-tax income, partially offset by a lower effective tax rate in the current year of 6.0% compared to 6.2% in 2014. The tax rate declined primarily because we generated a greater portion of our income in jurisdictions with lower tax rates.

Income tax expense increased $1.0 million, or 2.6%, in 2014 compared to 2013 primarily due to higher pre-tax income in 2014, partially offset by a lower effective tax rate in 2014 of 6.2% compared to 6.5% in 2013. The lower effective tax rate in 2014 primarily is due to a valuation allowance release of $10.7 million in one of our foreign subsidiaries, partially offset by an increase in tax reserves for uncertain tax positions of $7.4 million.

Net Income (Loss) of Consolidated Entities Attributable to Non-Controlling Interests

Net income (loss) of consolidated entities attributable to non-controlling interests primarily consists of limited partner interests owned by other investors representing 90% of the total limited partner interests in our consolidated venture capital fund. In 2015, we had $6.4 million of net income of consolidated entities attributable to non-controlling interests, primarily due to a $7.9 million net investment gain attributable to our consolidated venture capital fund (of which 90% belongs to non-controlling interests) and management fees of $1.2 million. In 2014, we had $0.5 million of net income of consolidated entities attributable to non-controlling interests, primarily due to a $1.3 million net investment gain attributable to our consolidated venture capital fund and management fees of $0.7 million.

Capital Resources and Liquidity

During 2015, net cash provided by operating activities was $667.2 million, compared to $630.1 million during 2014. The change primarily was due to lower deferred sales commissions paid of $59.3 million, lower seed capital purchases, offset by lower net broker-dealer redemptions of $54.5 million, a decrease in fees receivable of $40.7 million and higher cash provided by net income of $37.7 million, partially offset by a larger increase in broker-dealer related receivables (net of payables and segregated U.S. Treasury Bills activity) of $160.9 million. During 2014, net cash provided by operating activities was $630.1 million, compared to $505.6 million during 2013. The change primarily was due to a smaller decrease in broker-dealer related payables (net of receivables and segregated U.S. Treasury Bills activity) of $129.8 million and higher cash provided by net income of $114.0 million, partially offset by higher deferred sales commissions paid of $72.8 million and a decrease in accrued compensation and benefits of $42.2 million.

During 2015, net cash used in investing activities was $26.1 million, compared to $86.2 million during 2014. The decrease primarily resulted from the purchase of a business, net of cash acquired, during 2014 of $60.6 million. During 2014, net cash used in investing activities was $86.2 million, compared to $57.1 million during 2013, reflecting higher acquisition costs (cash paid, net of cash acquired) of $22.0 million.

During 2015, net cash used in financing activities was $644.7 million, compared to $478.2 million during 2014. The change reflects lower net issuances of commercial paper of $126.0 million, higher repurchases of AB Holding Units of $123.3 million, higher distributions to the General Partner and Unitholders of $25.5 million as a result of higher earnings (distributions on earnings are paid one quarter in arrears) and lower proceeds from the exercise of options to buy AB Holding Units of $9.7 million, offset by an increase in overdrafts payable of $118.5 million. During 2014, net cash used in financing activities was $478.2 million, compared to $562.4 million during 2013. The change reflects the issuance of commercial paper in 2014 as compared to repayments in 2013 (impact of $275.6 million) and lower purchases of AB Holding Units to fund deferred compensation plans of $21.5 million, partially offset by higher distributions to the General Partner and Unitholders of $111.1 million as a result of higher earnings (distributions on earnings are paid one quarter in arrears) and a decrease in overdrafts payable of $91.2 million.

As of December 31, 2015, AB had $541.5 million of cash and cash equivalents, all of which are available for liquidity, but consist primarily of cash on deposit for our broker-dealers to comply with various customer clearing activities and cash held by foreign subsidiaries for which a permanent investment election for U.S. tax purposes is taken. If the cash held at our foreign subsidiaries of $392.1 million, which includes cash on deposit for our foreign broker-dealers, is repatriated to the U.S., we would be required to accrue and pay U.S. income taxes on these funds, based on the unremitted amount. We currently intend to permanently reinvest these earnings outside the U.S.

Debt and Credit Facilities

As of December 31, 2015 and 2014, AB had $583.9 million and $489.0 million, respectively, in commercial paper outstanding with weighted average interest rates of approximately 0.5% and 0.3%, respectively. The commercial paper is short term in nature, and as such, recorded value is estimated to approximate fair value (and considered a Level 2 security in the fair value hierarchy). Average daily borrowings of commercial paper during 2015 and 2014 were $387.9 million and $335.0 million, respectively, with weighted average interest rates of approximately 0.3% and 0.2%, respectively.

AB has a $1.0 billion committed, unsecured senior revolving credit facility (the "**Credit Facility**") with a group of commercial banks and other lenders. The Credit Facility provides for possible increases in the principal amount by up to an aggregate incremental amount of $250 million; any such increase is subject to the consent of the affected lenders. The Credit Facility is available for AB and Sanford C. Bernstein & Co., LLC ("**SCB LLC**") business purposes, including the support of AB's $1.0 billion commercial paper program. Both AB and SCB LLC can draw directly under the Credit Facility and management may draw on the Credit Facility from time to time. AB has agreed to guarantee the obligations of SCB LLC under the Credit Facility.

The Credit Facility contains affirmative, negative and financial covenants, which are customary for facilities of this type, including restrictions on dispositions of assets, restrictions on liens, a minimum interest coverage ratio and a maximum leverage ratio. As of December 31, 2015, we were in compliance with these covenants. The Credit Facility also includes customary events of default (with customary grace periods, as applicable), including provisions under which, upon the occurrence of an event of default, all outstanding loans may be accelerated and/or lender's commitments may be terminated. Also, under such provisions, upon the occurrence of certain insolvency- or bankruptcy-related events of default, all amounts

payable under the Credit Facility would automatically become immediately due and payable, and the lender's commitments automatically would terminate.

Amounts under the Credit Facility may be borrowed, repaid and re-borrowed by us from time to time until the maturity of the facility. Voluntary prepayments and commitment reductions requested by us are permitted at any time without fee (other than customary breakage costs relating to the prepayment of any drawn loans) upon proper notice and subject to a minimum dollar requirement. Borrowings under the Credit Facility bear interest at a rate per annum, which will be, at our option, a rate equal to an applicable margin, which is subject to adjustment based on the credit ratings of AB, plus one of the following indexes: London Interbank Offered Rate; a floating base rate; or the Federal Funds rate.

On October 22, 2014, as part of an amendment and restatement, the maturity date of the Credit Facility was extended from January 17, 2017 to October 22, 2019. There were no other significant changes included in the amendment.

As of December 31, 2015 and 2014, we had no amounts outstanding under the Credit Facility. During 2015 and 2014, we did not draw upon the Credit Facility.

In addition, SCB LLC has three uncommitted lines of credit with three financial institutions. Two of these lines of credit permit us to borrow up to an aggregate of approximately $200 million, with AB named as an additional borrower, while one line has no stated limit. As of December 31, 2015 and 2014, SCB LLC had no bank loans outstanding. Average daily borrowings of bank loans during 2015 and 2014 were $3.9 million and $5.5 million, respectively, with weighted average interest rates of approximately 1.2% and 1.1%, respectively.

Our financial condition and access to public and private debt markets should provide adequate liquidity for our general business needs. Management believes that cash flow from operations and the issuance of debt and AB Units or AB Holding Units will provide us with the resources we need to meet our financial obligations. *See "Risk Factors" in Item 1A and "Cautions Regarding Forward-Looking Statements" in this Item 7* for a discussion of credit markets and our ability to renew our credit facilities at expiration.

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

Guarantees

Under various circumstances, AB guarantees the obligations of its consolidated subsidiaries.

AB maintains a guarantee in connection with the Credit Facility. If SCB LLC is unable to meet its obligations, AB will pay the obligations when due or on demand. In addition, AB maintains guarantees totaling $400 million for SCB LLC's three uncommitted lines of credit.

AB maintains a guarantee with a commercial bank, under which we guarantee the obligations in the ordinary course of business of each of SCB LLC, our U.K.-based broker-dealer and our Cayman subsidiary. We also maintain three additional guarantees with other commercial banks under which we guarantee approximately $361 million of obligations for our U.K.-based broker-dealer. In the event that any of these three entities is unable to meet its obligations, AB will pay the obligations when due or on demand.

We also have three smaller guarantees with a commercial bank totaling approximately $3 million, under which we guarantee certain obligations in the ordinary course of business of two foreign subsidiaries.

We have not been required to perform under any of the above agreements and currently have no liability in connection with these agreements.

In December 2015, we provided a 60-day guarantee to a commercial bank for borrowings by a company-sponsored fund up to a maximum of $50.0 million. The bank provided the fund with a limited partner subscription line for the unfunded commitments of the fund's limited partners. The fund is expected to repay the bank by calling capital from the limited partners. To the extent the fund is not able to repay the loan to the bank, we will repay the loan under the guarantee, up to $50.0 million. The fund will repay us for all amounts paid by us under the guaranty. We have not been required to perform under this guarantee and currently have no liability in connection with this guarantee.

Aggregate Contractual Obligations

Our contractual obligations as of December 31, 2015 are as follows:

	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
			(in millions)		
Commercial paper	$ 583.9	$ 583.9	$ —	$ —	$ —
Operating leases, net of sublease commitments	1,078.0	94.2	184.7	160.7	638.4
Funding commitments	36.8	7.1	17.1	12.6	—
Accrued compensation and benefits	232.0	135.1	54.4	13.6	28.9
Unrecognized tax benefits	12.0	—	9.2	2.8	—
Total	**$ 1,942.7**	**$ 820.3**	**$ 265.4**	**$ 189.7**	**$ 667.3**

During 2009, we entered into a subscription agreement, under which we committed to invest up to $35.0 million, as amended in 2011, in a venture capital fund over a six-year period. As of December 31, 2015, we had funded $32.1 million of this commitment.

During 2010, as general partner of AllianceBernstein U.S. Real Estate L.P. ("**Real Estate Fund**"), we committed to invest $25.0 million in the Real Estate Fund. As of December 31, 2015, we had funded $19.6 million of this commitment. During 2014, as general partner of AllianceBernstein U.S. Real Estate II L.P. ("**Real Estate Fund II**"), we committed to invest $28.0 million, as amended in 2015, in the Real Estate Fund II. As of December 31, 2015, we had funded $1.4 million of this commitment.

During 2012, we entered into an investment agreement under which we committed to invest up to $8.0 million in an oil and gas fund over a three-year period. As of December 31, 2015, we had funded $6.1 million of this commitment.

Accrued compensation and benefits amounts *in the table above* exclude our accrued pension obligation. Offsetting our accrued compensation obligations are long-term incentive compensation-related investments and money market investments we funded totaling $83.5 million, which are included in our consolidated statement of financial condition. Any amounts reflected on the consolidated statement of financial condition as payables (to broker-dealers, brokerage clients and company-sponsored mutual funds) and accounts payable and accrued expenses are excluded *from the table above*.

We expect to make contributions to our qualified profit sharing plan of approximately $14.0 million in each of the next four years. We currently do not plan to make a contribution to our qualified, defined benefit retirement plan during 2016.

Contingencies

See Note 13 to our consolidated financial statements in Item 8 for a discussion of our commitments and contingencies.

Critical Accounting Estimates

The preparation of the consolidated financial statements and notes to consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses.

Management believes that the critical accounting policies and estimates *discussed below* involve significant management judgment due to the sensitivity of the methods and assumptions used.

Variable Interest Entities

In accordance with ASU 2009-17, *Consolidations (Topic 810) – Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*, the determination of whether a company is required to consolidate an entity is based on, among other things, an entity's purpose and design, a company's ability to direct the activities of the entity that most significantly impact the entity's economic performance, and whether a company is obligated to absorb losses or receive benefits that could potentially be significant to the entity. The standard also requires ongoing assessments of whether a company is the primary beneficiary of a variable interest entity ("**VIE**").

Significant judgment is required in the determination of whether we are the primary beneficiary of a VIE. If we, together with our related party relationships, are determined to be the primary beneficiary of a VIE, the entity will be consolidated within our consolidated financial statements. In order to determine whether we are the primary beneficiary of a VIE, management must make significant estimates and assumptions of probable future cash flows and assign probabilities to different cash flow scenarios. Assumptions made in such analyses include, but are not limited to, market prices of securities, market interest rates, potential credit defaults on individual securities or default rates on a portfolio of securities, gain realization, liquidity or marketability of certain securities, discount rates and the probability of certain other outcomes.

We provide seed capital to our investment teams to develop new products and services for our clients. Initially, we may be the sole investor in our new products as a result of our seed investments and, from one reporting period to the next, our ownership fluctuates as our clients invest and withdraw assets. Our seed investment portfolio has a weighted average age of approximately 17 months and we turn over approximately 50% of the seed investments annually. These investments are temporary in nature. Our larger seed capital investments range from $1 million to $35 million, with an average size of $10 million. The Audit Committee of the Board has established a ceiling of $650 million for the seed investment program. We evaluate our seed investments on a quarterly basis and consolidate such investments as required pursuant to US GAAP.

Goodwill

As of December 31, 2015, we had goodwill of $3.0 billion on the consolidated statement of financial condition. We have determined that AB has only one reporting segment and reporting unit. We test our goodwill annually, as of September 30, for impairment. As of September 30, 2015, the impairment test indicated that goodwill was not impaired. The carrying value of goodwill is also reviewed if facts and circumstances occur that suggest possible impairment, such as significant declines in AUM, revenues, earnings or the price of an AB Holding Unit.

On an annual basis, or when circumstances warrant, we perform step one of our two-step goodwill impairment test. The first step of the goodwill impairment test is used to identify potential impairment by comparing the fair value of AB, the reporting unit, with its carrying value, including goodwill. If the fair value of the reporting unit exceeds its carrying value, goodwill is not considered to be impaired and the second step of the impairment test is not performed. However, if the carrying value of the reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step compares the implied fair value of the reporting unit to the aggregated fair values of its individual assets and liabilities to determine the amount of impairment, if any.

AB estimates its fair value under both the market approach and income approach. Under the market approach, the fair value of the reporting unit is based on its unadjusted market valuation (AB Units outstanding multiplied by the price of an AB Holding Unit) and adjusted market valuations assuming a control premium and earnings multiples. The price of a publicly-traded AB Holding Unit serves as a reasonable starting point for valuing an AB Unit because each represents the same fractional interest in our underlying business. Our market approach analysis also includes control premiums, which are based on an analysis of control premiums for relevant recent acquisitions, and comparable industry earnings multiples applied to our earnings forecast. Under the income approach, the fair value of the reporting unit is based on the present value of estimated future cash flows. Determining estimated fair value using a discounted cash flow valuation technique consists of applying business growth rate assumptions over the estimated life of the goodwill asset and then discounting the resulting expected cash flows using an estimated weighted average cost of capital of market participants to arrive at a present value amount that approximates fair value.

Real Estate Charges

During 2010 and 2012, we performed comprehensive reviews of our office real estate requirements and determined to consolidate office space and sublease the excess office space. As a result, we recorded real estate charges that reflect the net present value of the difference between the amount of our on-going contractual lease obligations for the vacated floors and our estimate of current market rental rates for such floors. The charges we recorded were based on current assumptions at the time of the charges regarding sublease marketing periods, costs to prepare the properties to market, market rental rates, broker commissions and subtenant allowances/incentives, all of which are factors largely beyond our control. If our assumptions prove to be incorrect, we may need to record additional charges or reduce previously recorded charges. We review the assumptions and estimates we used in recording these charges on a quarterly basis.

Loss Contingencies

Management continuously reviews with legal counsel the status of regulatory matters and pending or threatened litigation. We evaluate the likelihood that a loss contingency exists and record a loss contingency if it is both probable and reasonably estimable as of the date of the financial statements. *See Note 13 to our consolidated financial statements in Item 8.*

Accounting Pronouncements

See Note 2 to our consolidated financial statements in Item 8.

Cautions Regarding Forward-Looking Statements

Certain statements provided by management in this report are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of these factors include, but are not limited to, the following: the performance of financial markets, the investment performance of sponsored investment products and separately-managed accounts, general economic conditions, industry trends, future acquisitions, integration of acquired companies, competitive conditions and government regulations, including changes in tax regulations and rates and the manner in which the earnings of publicly-traded partnerships are taxed. We caution readers to carefully consider such factors. Further, these forward-looking statements speak only as of the date on which such statements are made; we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. For further information regarding these forward-looking statements and the factors that could cause actual results to differ, *see “Risk Factors” in Item 1A.* Any or all of the forward-looking statements that we make in this Form 10-K, other documents we file with or furnish to the SEC, and any other public statements we issue, may turn out to be wrong. It is important to remember that other factors besides *those listed in “Risk Factors” and those listed below* could also adversely impact our revenues, financial condition, results of operations and business prospects.

The forward-looking statements referred to in *the preceding paragraph*, most of which directly affect AB but also affect AB Holding because AB Holding’s principal source of income and cash flow is attributable to its investment in AB, include statements regarding:

- ***Our belief that the cash flow AB Holding realizes from its investment in AB will provide AB Holding with the resources it needs to meet its financial obligations:*** AB Holding's cash flow is dependent on the quarterly cash distributions it receives from AB. Accordingly, AB Holding's ability to meet its financial obligations is dependent on AB's cash flow from its operations, which is subject to the performance of the capital markets and other factors beyond our control.

- ***Our financial condition and ability to access the public and private capital markets providing adequate liquidity for our general business needs:*** Our financial condition is dependent on our cash flow from operations, which is subject to the performance of the capital markets, our ability to maintain and grow client assets under management and other factors beyond our control. Our ability to access public and private capital markets on reasonable terms may be limited by adverse market conditions, our firm's credit ratings, our profitability and changes in government regulations, including tax rates and interest rates.

- ***The outcome of litigation:*** Litigation is inherently unpredictable, and excessive damage awards do occur. Though we have stated that we do not expect certain pending legal proceedings to have a material adverse effect on our results of operations, financial condition or liquidity, any settlement or judgment with respect to a pending or future legal proceeding could be significant, and could have such an effect.

- ***The possibility that we will engage in open market purchases of AB Holding Units to help fund anticipated obligations under our incentive compensation award program:*** The number of AB Holding Units AB may decide to buy in future periods, if any, to help fund incentive compensation awards depends on various factors, some of which are beyond our control, including the fluctuation in the price of an AB Holding Unit (NYSE: AB) and the availability of cash to make these purchases.

- ***Our determination that adjusted employee compensation expense generally should not exceed 50% of our adjusted net revenues:*** Aggregate employee compensation reflects employee performance and competitive compensation levels. Fluctuations in our revenues and/or changes in competitive compensation levels could result in adjusted employee compensation expense exceeding 50% of our adjusted net revenues.

- ***Our expectation that, as a result of vacating and marketing for sublease two floors in New York during the first quarter of 2016, we will record real estate charges totaling approximately $29 million, which we believe will generate approximately $3.5 million of annualized savings:*** Any charges we record are based on our current assumptions regarding sublease marketing periods, costs to prepare the properties to market, market rental rates, broker commissions and subtenant allowances/incentives, all of which are factors largely beyond our control. If our assumptions prove to be incorrect, we may be forced to record additional charges, which may result in annual savings different from our current expectation.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Market Risk, Risk Management and Derivative Financial Instruments

Our investments consist of trading, available-for-sale investments and other investments. Trading and available-for-sale investments include U.S. Treasury Bills, mutual funds, exchange-traded options and various separately-managed portfolios consisting of equity and fixed income securities. Trading investments are purchased for short-term investment, principally to fund liabilities related to long-term incentive compensation plans and to seed new investment services. Although available-for-sale investments are purchased for long-term investment, the portfolio strategy considers them available-for-sale from time to time due to changes in market interest rates, equity prices and other relevant factors. Other investments include investments in hedge funds we sponsor, our consolidated venture capital fund and other private equity investment vehicles.

We enter into various futures, forwards and swaps primarily to economically hedge our seed capital investments. We do not hold any derivatives designated in a formal hedge relationship under ASC 815-10, *Derivatives and Hedging. See Note 7 to our consolidated financial statements in Item 8.*

Trading and Non-Trading Market Risk Sensitive Instruments

Investments with Interest Rate Risk—Fair Value

The table below provides our potential exposure with respect to our fixed income investments, measured in terms of fair value, to an immediate 100 basis point increase in interest rates at all maturities from the levels prevailing as of December 31, 2015 and 2014. Such a fluctuation in interest rates is a hypothetical rate scenario used to calibrate potential risk and does not represent our view of future market movements. While these fair value measurements provide a representation of interest rate sensitivity of our investments in fixed income mutual funds and fixed income hedge funds, they are based on our exposures at a particular point in time and may not be representative of future market results. These exposures will change as a result of ongoing changes in investments in response to our assessment of changing market conditions and available investment opportunities:

	As of December 31,			
	2015		2014	
	Fair Value	Effect of +100 Basis Point Change	Fair Value	Effect of +100 Basis Point Change
	(in thousands)			
Fixed Income Investments:				
Trading	$ 207,730	$ (11,446)	$ 196,041	$ (10,684)
Available-for-sale	183	(10)	221	(12)

Investments with Equity Price Risk—Fair Value

Our investments also include investments in equity securities, mutual funds and hedge funds. The following table provides our potential exposure with respect to our equity investments, measured in terms of fair value, to an immediate 10% drop in equity prices from those prevailing as of December 31, 2015 and 2014. A 10% decrease in equity prices is a hypothetical scenario used to calibrate potential risk and does not represent our view of future market movements. While these fair value measurements provide a representation of equity price sensitivity of our investments in equity securities, mutual funds and hedge funds, they are based on our exposures at a particular point in time and may not be representative of future market results. These exposures will change as a result of ongoing portfolio activities in response to our assessment of changing market conditions and available investment opportunities:

	As of December 31,			
	2015		2014	
	Fair Value	Effect of -10% Equity Price Change	Fair Value	Effect of -10% Equity Price Change
	(in thousands)			
Equity Investments:				
Trading	$ 332,178	$ (33,218)	$ 409,792	$ (40,979)
Available-for-sale and other investments	129,709	(12,971)	157,421	(15,742)

Item 8.Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the General Partner and Unitholders of
AllianceBernstein L.P.:

In our opinion, the accompanying consolidated statements of financial condition and the related consolidated statements of income, comprehensive income, changes in partners' capital and cash flows present fairly, in all material respects, the financial position of AllianceBernstein L.P. and its subsidiaries ("AB") at December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under item 15(a) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, AB maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). AB's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in *Management's Report on Internal Control over Financial Reporting* appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on AB's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 11, 2016

AllianceBernstein L.P. and Subsidiaries

Consolidated Statements of Financial Condition

	December 31,	
	2015	2014
	(in thousands, except unit amounts)	
ASSETS		
Cash and cash equivalents	$ 541,483	$ 555,503
Cash and securities segregated, at fair value (cost $565,264 and $476,275)	565,274	476,277
Receivables, net:		
Brokers and dealers	411,174	378,467
Brokerage clients	1,328,406	1,243,667
Fees	257,091	292,901
Investments:		
Long-term incentive compensation-related	78,154	98,779
Other	591,646	664,696
Furniture, equipment and leasehold improvements, net	160,360	160,956
Goodwill	3,044,807	3,044,807
Intangible assets, net	145,710	171,407
Deferred sales commissions, net	99,070	118,290
Other assets	212,792	172,703
Total assets	**$ 7,435,967**	**$ 7,378,453**
LIABILITIES AND CAPITAL		
Liabilities:		
Payables:		
Brokers and dealers	$ 191,990	$ 302,484
Securities sold not yet purchased	16,097	88,902
Brokerage clients	1,715,096	1,501,227
AB mutual funds	137,886	141,132
Accounts payable and accrued expenses	469,753	432,355
Accrued compensation and benefits	253,079	291,000
Debt	583,946	488,988
Total liabilities	**3,367,847**	**3,246,088**
Commitments and contingencies (See Note 13)		
Redeemable non-controlling interest	13,203	16,504
Capital:		
General Partner	40,875	41,381
Limited partners: 272,301,827 and 273,040,452 units issued and outstanding	4,128,752	4,176,637
Receivables from affiliates	(14,498)	(16,359)
AB Holding Units held for long-term incentive compensation plans	(29,332)	(36,351)
Accumulated other comprehensive loss	(95,353)	(79,843)
Partners' capital attributable to AB Unitholders	**4,030,444**	**4,085,465**
Non-controlling interests in consolidated entities	24,473	30,396
Total capital	**4,054,917**	**4,115,861**
Total liabilities and capital	**$ 7,435,967**	**$ 7,378,453**

See Accompanying Notes to Consolidated Financial Statements.

AllianceBernstein L.P. and Subsidiaries

Consolidated Statements of Income

	Years Ended December 31,		
	2015	2014	2013
	(in thousands, except per unit amounts)		
Revenues:			
Investment advisory and services fees	$ 1,973,837	$ 1,958,250	$ 1,849,105
Bernstein research services	493,463	482,538	445,083
Distribution revenues	427,156	444,970	465,424
Dividend and interest income	24,872	22,322	19,962
Investment gains (losses)	3,551	(9,076)	33,339
Other revenues	101,169	108,788	105,058
Total revenues	3,024,048	3,007,792	2,917,971
Less: Interest expense	3,321	2,426	2,924
Net revenues	3,020,727	3,005,366	2,915,047
Expenses:			
Employee compensation and benefits	1,267,926	1,265,664	1,212,011
Promotion and servicing:			
Distribution-related payments	393,033	413,054	426,824
Amortization of deferred sales commissions	49,145	41,508	41,279
Other promotion and servicing	223,415	224,576	204,568
General and administrative:			
General and administrative	431,635	426,960	423,043
Real estate charges	998	52	28,424
Contingent payment arrangements	(5,441)	(2,782)	(10,174)
Interest on borrowings	3,119	2,797	2,962
Amortization of intangible assets	25,798	24,916	21,859
Total expenses	2,389,628	2,396,745	2,350,796
Operating income	**631,099**	**608,621**	**564,251**
Income tax	38,122	37,782	36,829
Net income	**592,977**	**570,839**	**527,422**
Net income of consolidated entities attributable to non-controlling interests	6,375	456	9,746
Net income attributable to AB Unitholders	**$ 586,602**	**$ 570,383**	**$ 517,676**
Net income per AB Unit:			
Basic	**$ 2.14**	**$ 2.10**	**$ 1.89**
Diluted	**$ 2.13**	**$ 2.09**	**$ 1.88**

See Accompanying Notes to Consolidated Financial Statements.

AllianceBernstein L.P. and Subsidiaries

Consolidated Statements of Comprehensive Income

	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
Net income	$ 592,977	$ 570,839	$ 527,422
Other comprehensive (loss) income:			
Foreign currency translation adjustments, before reclassification and tax:	(15,396)	(20,872)	(12,422)
Less: reclassification adjustment for gains included in net income upon liquidation	1,542	—	—
Foreign currency translation adjustments, before tax	(16,938)	(20,872)	(12,422)
Income tax benefit	—	—	—
Foreign currency translation adjustments, net of tax	(16,938)	(20,872)	(12,422)
Unrealized (losses) gains on investments:			
Unrealized (losses) gains arising during period	(357)	1,649	819
Less: reclassification adjustment for gains included in net income	1,256	19	4,715
Changes in unrealized (losses) gains on investments	(1,613)	1,630	(3,896)
Income tax benefit (expense)	701	(766)	1,130
Unrealized (losses) gains on investments, net of tax	(912)	864	(2,766)
Changes in employee benefit related items:			
Amortization of transition asset	—	—	(47)
Amortization of prior service cost	(895)	(5,197)	5,828
Recognized actuarial gain (loss)	3,267	(19,656)	22,853
Changes in employee benefit related items	2,372	(24,853)	28,634
Income tax (expense) benefit	(165)	298	(444)
Employee benefit related items, net of tax	2,207	(24,555)	28,190
Other comprehensive (loss) income	(15,643)	(44,563)	13,002
Less: Comprehensive income in consolidated entities attributable to non-controlling interests	6,242	355	9,603
Comprehensive income attributable to AB Unitholders	**$ 571,092**	**$ 525,921**	**$ 530,821**

See Accompanying Notes to Consolidated Financial Statements.

AllianceBernstein L.P. and Subsidiaries

Consolidated Statements of Changes in Partners' Capital

	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
General Partner's Capital			
Balance, beginning of year	**$ 41,381**	**$ 40,382**	**$ 41,213**
Net income	5,866	5,704	5,178
Cash distributions to General Partner	(5,986)	(5,732)	(4,623)
Long-term incentive compensation plans activity	14	92	642
(Retirement) issuance of AB Units, net	(400)	935	(2,028)
Balance, end of year	**40,875**	**41,381**	**40,382**
Limited Partners' Capital			
Balance, beginning of year	**4,176,637**	**4,078,676**	**4,165,461**
Net income	580,736	564,679	512,498
Cash distributions to Unitholders	(591,886)	(566,616)	(456,659)
Long-term incentive compensation plans activity	1,598	8,929	59,924
(Retirement) issuance of AB Units, net	(40,433)	90,969	(202,548)
Other	2,100	—	—
Balance, end of year	**4,128,752**	**4,176,637**	**4,078,676**
Receivables from Affiliates			
Balance, beginning of year	**(16,359)**	**(16,542)**	**(8,441)**
Capital contributions from General Partner	1,551	2,325	3,386
Compensation plan accrual	(187)	(323)	(695)
Reclassification of receivable from AB Holding	—	—	(9,226)
Capital contributions to AB Holding	497	(1,819)	(1,566)
Balance, end of year	**(14,498)**	**(16,359)**	**(16,542)**
AB Holding Units held for Long-term Incentive Compensation Plans			
Balance, beginning of year	**(36,351)**	**(39,649)**	**(389,941)**
Purchases of AB Holding Units to fund long-term compensation plans, net	(216,970)	(90,143)	(111,619)
Reclassification from liability-based awards	—	—	130,777
(Issuance) retirement of AB Units, net	40,028	(93,457)	202,772
Long-term incentive compensation awards expense	176,040	176,916	162,771
Re-valuation of AB Holding Units held in rabbi trust	7,921	9,982	(34,409)
Balance, end of year	**(29,332)**	**(36,351)**	**(39,649)**
Accumulated Other Comprehensive Income (Loss)			
Balance, beginning of year	**(79,843)**	**(35,381)**	**(48,526)**
Unrealized gain (loss) on investments, net of tax	(912)	864	(2,766)
Foreign currency translation adjustment, net of tax	(16,805)	(20,771)	(12,279)
Changes in employee benefit related items, net of tax	2,207	(24,555)	28,190
Balance, end of year	**(95,353)**	**(79,843)**	**(35,381)**
Total Partners' Capital attributable to AB Unitholders	**4,030,444**	**4,085,465**	**4,027,486**
Non-controlling Interests in Consolidated Entities			
Balance, beginning of year	**30,396**	**42,240**	**43,502**
Net income (loss)	6,375	456	9,746
Foreign currency translation adjustment	(133)	(101)	(143)
Distributions to non-controlling interests of our consolidated venture capital fund activities	(12,165)	(12,199)	(10,865)
Balance, end of year	**24,473**	**30,396**	**42,240**
Total Capital	**$ 4,054,917**	**$ 4,115,861**	**$ 4,069,726**

See Accompanying Notes to Consolidated Financial Statements.

AllianceBernstein L.P. and Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
Cash flows from operating activities:			
Net income	**$ 592,977**	**$ 570,839**	**$ 527,422**
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of deferred sales commissions	49,145	41,508	41,279
Non-cash long-term incentive compensation expense	176,160	176,636	159,020
Depreciation and other amortization	56,426	62,515	60,009
Unrealized losses (gains) on investments	29,281	13,343	(42,080)
Losses on real estate asset write-offs	—	429	3,837
Other, net	(2,888)	(1,819)	(70)
Changes in assets and liabilities:			
(Increase) decrease in segregated cash and securities	(88,997)	504,307	570,742
(Increase) decrease in receivables	(121,985)	(444,536)	140,254
Decrease (increase) in investments	58,053	3,563	(10,781)
(Increase) in deferred sales commissions	(29,925)	(89,224)	(16,423)
(Increase) decrease in other assets	(42,690)	(6,375)	755
Increase (decrease) in payables	65,309	(85,226)	(867,447)
(Decrease) in accounts payable and accrued expenses	(39,047)	(64,588)	(51,880)
(Decrease) in accrued compensation and benefits	(34,645)	(51,283)	(9,076)
Net cash provided by operating activities	**667,174**	**630,089**	**505,561**
Cash flows from investing activities:			
Purchases of investments	(168)	(492)	(7,702)
Proceeds from sales of investments	4,240	140	10,884
Purchases of furniture, equipment and leasehold improvements	(30,217)	(25,433)	(21,615)
Proceeds from sales of furniture, equipment and leasehold improvements	2	176	12
Purchase of businesses, net of cash acquired	—	(60,610)	(38,636)
Net cash used in investing activities	**(26,143)**	**(86,219)**	**(57,057)**
Cash flows from financing activities:			
Issuance (repayment) of commercial paper, net	93,867	219,818	(55,754)
Increase (decrease) in overdrafts payable	79,540	(38,967)	52,277
Distributions to General Partner and Unitholders	(597,872)	(572,348)	(461,282)
Distributions to non-controlling interests in consolidated entities	(12,165)	(12,199)	(10,865)
Capital contributions from affiliates	2,041	511	1,820
Payments of contingent payment arrangements/purchase of shares	(5,027)	(759)	(4,426)
Additional investments by AB Holding with proceeds from exercise of compensatory options to buy AB Holding Units	9,233	18,955	15,138
Additional investments by AB Holding from distributions paid to AB consolidated rabbi trust	—	—	14,076
Purchases of AB Holding Units to fund long-term incentive compensation plan awards, net	(213,484)	(90,143)	(111,619)
Purchases of AB Units	(805)	(1,553)	(1,805)
Other	(26)	(1,546)	62
Net cash used in financing activities	**(644,698)**	**(478,231)**	**(562,378)**
Effect of exchange rate changes on cash and cash equivalents	(10,353)	(20,027)	(3,417)
Net (decrease) increase in cash and cash equivalents	**(14,020)**	**45,612**	**(117,291)**
Cash and cash equivalents as of beginning of the period	555,503	509,891	627,182
Cash and cash equivalents as of end of the period	**$ 541,483**	**$ 555,503**	**$ 509,891**
Cash paid:			
Interest paid	$ 3,984	$ 3,148	$ 3,692
Income taxes paid	25,999	42,028	13,423
Non-cash investing activities:			
Fair value of assets acquired	—	87,821	81,929

Fair value of liabilities assumed	—	1,342	26,193
Fair value of redeemable non-controlling interest recorded	—	16,504	—
Non-cash financing activities:			
Payables recorded under contingent payment arrangements	—	9,365	17,100

See Accompanying Notes to Consolidated Financial Statements.

AllianceBernstein L.P. and Subsidiaries
Notes to Consolidated Financial Statements

*The words "**we**" and "**our**" refer collectively to AllianceBernstein L.P. and its subsidiaries ("**AB**"), or to their officers and employees. Similarly, the word "**company**" refers to AB. Cross-references are in italics.*

1. Business Description and Organization

We provide research, diversified investment management and related services globally to a broad range of clients. Our principal services include:

- Institutional Services—servicing our institutional clients, including private and public pension plans, foundations and endowments, insurance companies, central banks and governments worldwide, and affiliates such as AXA and its subsidiaries, by means of separately-managed accounts, sub-advisory relationships, structured products, collective investment trusts, mutual funds, hedge funds and other investment vehicles.
- Retail Services—servicing our retail clients, primarily by means of retail mutual funds sponsored by AB or an affiliated company, sub-advisory relationships with mutual funds sponsored by third parties, separately-managed account programs sponsored by financial intermediaries worldwide and other investment vehicles.
- Private Wealth Management Services—servicing our private clients, including high-net-worth individuals and families, trusts and estates, charitable foundations, partnerships, private and family corporations, and other entities, by means of separately-managed accounts, hedge funds, mutual funds and other investment vehicles.
- Bernstein Research Services—servicing institutional investors, such as pension fund, hedge fund and mutual fund managers, seeking high-quality fundamental research, quantitative services and brokerage-related services in equities and listed options.

We also provide distribution, shareholder servicing, transfer agency services and administrative services to the mutual funds we sponsor.

Our high-quality, in-depth research is the foundation of our business. Our research disciplines include economic, fundamental equity, fixed income and quantitative research. In addition, we have experts focused on multi-asset strategies, wealth management and alternative investments.

We provide a broad range of investment services with expertise in:

- Actively-managed equity strategies, with global and regional portfolios across capitalization ranges and investment strategies, including value, growth and core equities;
- Actively-managed traditional and unconstrained fixed income strategies, including taxable and tax-exempt strategies;
- Passive management, including index and enhanced index strategies;
- Alternative investments, including hedge funds, fund of funds and private equity (*e.g.*, direct real estate investing); and
- Multi-asset solutions and services, including dynamic asset allocation, customized target-date funds and target-risk funds.

Our services span various investment disciplines, including market capitalization (*e.g.*, large-, mid- and small-cap equities), term (*e.g.*, long-, intermediate- and short-duration debt securities), and geographic location (*e.g.*, U.S., international, global, emerging markets, regional and local), in major markets around the world.

As of December 31, 2015, AXA, a *société anonyme* organized under the laws of France and the holding company for the AXA Group, a worldwide leader in financial protection, through certain of its subsidiaries ("**AXA and its subsidiaries**") owns approximately 1.4% of the issued and outstanding units representing assignments of beneficial ownership of limited partnership interests in AllianceBernstein Holding L.P. ("**AB Holding Units**").

As of December 31, 2015, the ownership structure of AB, expressed as a percentage of general and limited partnership interests, is as follows:

AXA and its subsidiaries	62.3%
AB Holding	36.4
Unaffiliated holders	1.3
	100.0%

AllianceBernstein Corporation (an indirect wholly-owned subsidiary of AXA, "**General Partner**") is the general partner of both AllianceBernstein Holding L.P. ("**AB Holding**") and AB. AllianceBernstein Corporation owns 100,000 general partnership units in AB Holding and a 1% general partnership interest in AB. Including both the general partnership and limited partnership interests in AB Holding and AB, AXA and its subsidiaries had an approximate 62.8% economic interest in AB as of December 31, 2015.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("**US GAAP**"). The preparation of the consolidated financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include AB and its majority-owned and/or controlled subsidiaries. All significant inter-company transactions and balances among the consolidated entities have been eliminated.

Accounting Pronouncements Not Yet Adopted

In May 2014, the Financial Accounting Standards Board ("**FASB**") issued Accounting Standards Update ("**ASU**") 2014-09, *Revenue from Contracts with Customers*. The amendment is effective retrospectively for fiscal years (and interim reporting periods within those years) beginning after December 15, 2017. Management currently is evaluating the impact that the adoption of this standard will have on our consolidated financial statements.

In June 2014, the FASB issued ASU 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period*. The amendment is effective prospectively or retrospectively for fiscal years (and interim periods within those years) beginning after December 15, 2015 and is not expected to have a material impact on our financial condition or results of operations.

In February 2015, the FASB issued ASU 2015-02, *Consolidation – Amendments to the Consolidation Analysis*. The amendment is effective retrospectively for fiscal years (and interim reporting periods within those years) beginning after December 15, 2015 and is not expected to have a material impact on our financial condition or results of operations.

In April 2015, the FASB issued ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. The amendment is effective retrospectively for fiscal years (and interim periods within those years) beginning after December 15, 2015 and is not expected to have a material impact on our financial condition or results of operations.

In May 2015, the FASB issued ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. Under the new guidance, investments measured at net asset value ("**NAV**"), as a practical expedient for fair value, are excluded from the fair value hierarchy. Removing investments measured using the practical expedient from the fair value hierarchy is intended to eliminate the diversity in practice that currently exists with respect to the categorization of these investments. The only criterion for categorizing investments in the fair value hierarchy will be the observability of the inputs. The amendment is effective retrospectively for fiscal years (and interim periods within those years) beginning after December 15, 2015 and is not expected to have a material impact on our financial condition or results of operations.

In September 2015, the FASB issued ASU 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments*, which eliminates the requirement to restate prior period financial statements for measurement period adjustments. The new guidance requires that the cumulative impact of a measurement period adjustment (including the impact on prior periods) be recognized in the reporting period in which the adjustment is identified. The amendment is effective prospectively for fiscal years (and interim periods within those years) beginning after December 15, 2015 and is not expected to have a material impact on our financial condition or results of operations.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. The amendment addresses certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The amendment is effective for fiscal years (and interim periods within those years) beginning after December 15, 2017 and will result in a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption, except for one provision relating to equity securities without readily determinable fair values, which provision will be applied prospectively. The amendment is not expected to have a material impact on our financial condition or results of operations.

Variable Interest Entities

In accordance with ASU 2009-17, *Consolidation (Topic 810) – Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*, the determination of whether a company is required to consolidate an entity is based on, among other things, an entity's purpose and design, a company's ability to direct the activities of the entity that most significantly impact the entity's economic performance, and whether a company is obligated to absorb losses or receive benefits that could potentially be significant to the entity. The standard also requires ongoing assessments of whether a company is the primary beneficiary of a variable interest entity ("**VIE**"). In January 2010, the FASB deferred portions of ASU 2009-17 that relate to asset managers. We determined that all entities for which we are a sponsor and/or investment manager, other than collateralized debt obligations and collateralized loan obligations (collectively, "**CDOs**"), qualify for the scope deferral and will continue to be assessed for consolidation under prior accounting guidance for consolidation of VIEs.

For all new investment products and entities developed by the company (other than CDOs), we first determine whether the entity is a VIE, which involves determining an entity's variability and variable interests, identifying the holders of the equity investment at risk and assessing the five characteristics of a VIE. Once an entity has been determined to be a VIE, we then identify the primary beneficiary of the VIE. If we are deemed to be the primary beneficiary of the VIE, we consolidate the entity.

We provide seed capital to our investment teams to develop new products and services for our clients. Initially, we may be the sole investor in our new products as a result of our seed investments and, from one reporting period to the next, our ownership fluctuates as our clients invest and withdraw assets. Our seed investment portfolio has a weighted average age of approximately 17 months and we turn over approximately 50% of the seed investments annually. These investments are temporary in nature. Our larger seed capital investments range from $1 million to $35 million, with an average size of $10 million. The Audit Committee of the Board of Directors has established a ceiling of $650 million for the seed investment program. We evaluate our seed investments on a quarterly basis and consolidate such investments as required pursuant to US GAAP.

As of December 31, 2015, we were the investment manager for one CDO that meets the definition of a VIE primarily due to the lack of unilateral decision-making authority of the equity holders. The CDO is an alternative investment vehicle created for the sole purpose of issuing collateralized debt instruments that offer investors the opportunity for returns that vary with the risk level of their investment. Our management fee structure for this CDO includes a senior management fee and subordinated incentive management fee. We hold no equity interest in this CDO. We evaluated the management fee structure, the current and expected economic performance of the entity and other provisions included in the governing documents of the CDO that might restrict or guarantee an expected loss or residual return. In accordance with ASC 810, *Consolidation*, we concluded that our collateral management agreement represented a variable interest primarily due to the level of subordinated fees. We evaluated whether we possessed both of the following characteristics of a controlling financial interest: (1) the power to direct the activities of the VIE that most significantly impact the entity's economic performance, and (2) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. We determined that we possessed the decision-making power noted in criterion (1).

In evaluating criteria (2), we considered all facts regarding the design, terms and characteristics of the CDO and concluded that we do not meet the criterion. Our conclusion was based on the following quantitative and qualitative factors: (a) we have no involvement with the CDO beyond providing investment management services, (b) we hold no equity or debt interests in the CDO, (c) we are not a transferor of any of the assets of the CDO, (d) our expected aggregate fees in future periods are insignificant relative to the expected cash flows of the CDO, (e) the variability of our expected fees in relation to the expected cash flows of the CDO is insignificant, (f) our maximum exposure to loss for the CDO is our investment management fee,

which is based upon the fair value of the CDO's assets, (g) the CDO has no recourse against us for any losses sustained in the CDO structure, (h) we have not provided, nor do we expect to provide, any financial or other support to the CDO, and (i) there are no liquidity arrangements, guarantees and/or other commitments by third parties that would impact our variable interest in the CDO. As such, we do not have a controlling financial interest in the CDO and we do not consolidate the CDO into our consolidated financial statements. The cash, collateral investments (at fair value) and notes payable (at amortized cost) as of December 31, 2015 of this CDO are $9.4 million, $52.3 million and $53.4 million, respectively.

For the entities that meet the scope deferral, management reviews its agreements quarterly and its investments in, and other financial arrangements with, certain entities that hold client assets under management ("**AUM**") to determine the VIEs that we are required to consolidate. These entities include certain mutual fund products, hedge funds, structured products, group trusts, collective investment trusts and limited partnerships. We earn investment management fees on AUM of these entities, but we derive no other benefit from the AUM and cannot use the AUM in our operations.

As of December 31, 2015, we have significant variable interests in certain structured products and hedge funds with approximately $28.3 million in AUM. However, these VIEs do not require consolidation because management has determined that we are not the primary beneficiary of the expected residual returns or expected losses of these entities. Our maximum exposure to loss is limited to our investment of $0.2 million in these entities.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, money market accounts, overnight commercial paper and highly liquid investments with original maturities of three months or less. Due to the short-term nature of these instruments, the recorded value has been determined to approximate fair value.

Fees Receivable, Net

Fees receivable are shown net of allowances. An allowance for doubtful accounts related to investment advisory and services fees is determined through an analysis of the aging of receivables, assessments of collectability based on historical trends and other qualitative and quantitative factors, including our relationship with the client, the financial health (or ability to pay) of the client, current economic conditions and whether the account is active or closed. The allowance for doubtful accounts is not material to fees receivable.

Collateralized Securities Transactions

Customers' securities transactions are recorded on a settlement date basis, with related commission income and expenses reported on a trade date basis. Receivables from and payables to clients include amounts due on cash and margin transactions. Securities owned by customers are held as collateral for receivables; such collateral is not reflected in the consolidated financial statements. We have the ability by contract or custom to sell or re-pledge this collateral, and have done so at various times. As of December 31, 2015, the fair value of these securities re-pledged was $0.5 million. Principal securities transactions and related expenses are recorded on a trade date basis.

Securities borrowed and securities loaned by our broker-dealer subsidiaries are recorded at the amount of cash collateral advanced or received in connection with the transaction and are included in receivables from and payables to brokers and dealers in the consolidated statements of financial condition. Securities borrowed transactions require us to deposit cash collateral with the lender. With respect to securities loaned, we receive cash collateral from the borrower. *See Note 8* for securities borrowed and loaned amounts recorded in our consolidated statements of financial condition as of December 31, 2015 and 2014. The initial collateral advanced or received approximates or is greater than the fair value of securities borrowed or loaned. We monitor the fair value of the securities borrowed and loaned on a daily basis and request additional collateral or return excess collateral, as appropriate. As of December 31, 2015 and 2014, there is no allowance provision required for the collateral advanced. Income or expense is recognized over the life of the transactions.

As of December 31, 2015 and 2014, we had $81.4 million and $26.3 million, respectively, of cash on deposit with clearing organizations for trade facilitation purposes. In addition, as of December 31, 2015 and 2014, we held U.S. Treasury Bills with values totaling $24.9 million and $29.0 million, respectively, in our investment account that are pledged as collateral with clearing organizations. These clearing organizations have the ability by contract or custom to sell or re-pledge this collateral.

Investments

Investments include U.S. Treasury Bills, unconsolidated mutual funds and limited partnership hedge funds we sponsor and manage, various separately-managed portfolios comprised of equity and fixed income securities, exchange-traded options and investments owned by a consolidated venture capital fund in which we own a controlling interest as the general partner and a 10% limited partnership interest.

Investments in U.S. Treasury Bills, mutual funds, and equity and fixed income securities are classified as either trading or available-for-sale securities. Trading investments are stated at fair value with unrealized gains and losses reported in investment gains and losses on the consolidated statements of income. Available-for-sale investments are stated at fair value with unrealized gains and losses reported as a separate component of accumulated other comprehensive income in partners' capital. Realized gains and losses on the sale of investments are reported in investment gains and losses on the consolidated statements of income. Average cost is used to determine realized gain or loss on investments sold.

We use the equity method of accounting for investments in limited partnership hedge funds. The equity in earnings of our limited partnership hedge fund investments is reported in investment gains and losses on the consolidated statements of income.

The investments owned by our consolidated venture capital fund generally are illiquid and initially are valued at cost. These investments are adjusted to fair value to reflect the occurrence of "significant developments" (*i.e.*, capital transactions or business, economic or market events). Adjustments to fair value are reported in investment gains and losses on the consolidated statements of income. There are three private equity investments that we own directly outside of our consolidated venture capital fund. One of the investments is accounted for using the cost method and the other two are accounted for at fair value.

See Note 9 for a description of how we measure the fair value of our investments.

Furniture, Equipment and Leasehold Improvements, Net

Furniture, equipment and leasehold improvements are stated at cost, less accumulated depreciation and amortization. Depreciation is recognized on a straight-line basis over the estimated useful lives of eight years for furniture and three to six years for equipment and software. Leasehold improvements are amortized on a straight-line basis over the lesser of their estimated useful lives or the terms of the related leases.

Goodwill

In 2000, AB acquired SCB Inc., an investment research and management company formerly known as Sanford C. Bernstein Inc. ("**Bernstein**"). The Bernstein acquisition was accounted for under the purchase method and the cost of the acquisition was allocated on the basis of the estimated fair value of the assets acquired and the liabilities assumed. The excess of the purchase price over the fair value of identifiable assets acquired, net of liabilities assumed, resulted in the recognition of goodwill of approximately $3.0 billion.

As of December 31, 2015, goodwill of $3.0 billion on the consolidated statement of financial condition included $2.8 billion as a result of the Bernstein acquisition and $244 million in regard to various smaller acquisitions. We have determined that AB has only one reporting segment and reporting unit.

We test our goodwill annually, as of September 30, for impairment. As of September 30, 2015, the impairment test indicated that goodwill was not impaired. We also review the carrying value of goodwill if facts and circumstances occur that suggest possible impairment, such as significant declines in AUM, revenues, earnings or the price of an AB Holding Unit. There were no facts or circumstances occurring in the fourth quarter of 2015 suggesting possible impairment.

Intangible Assets, Net

Intangible assets consist primarily of costs assigned to acquired investment management contracts of Bernstein based on their estimated fair value at the time of acquisition, less accumulated amortization. Intangible assets are recognized at fair value and generally are amortized on a straight-line basis over their estimated useful life ranging from six years to 20 years.

As of December 31, 2015, intangible assets, net of accumulated amortization, of $145.7 million on the consolidated statement of financial condition consisted of $132.2 million of definite-lived intangible assets subject to amortization, of which $98.3 million relates to the Bernstein acquisition, and $13.5 million of indefinite-lived intangible assets not subject to amortization in regard to other acquisitions. As of December 31, 2014, intangible assets, net of accumulated amortization, of $171.4 million on the consolidated statement of financial condition consisted of $157.9 million of definite-lived intangible assets subject to amortization, of which $119.0 million related to the Bernstein acquisition, and $13.5 million of indefinite-lived intangible assets not subject to amortization in regard to other acquisitions. The gross carrying amount of definite-lived intangible assets totaled $460.8 million as of December 31, 2015 and $460.7 million as of December 31, 2014, and accumulated amortization was $328.6 million as of December 31, 2015 and $302.8 million as of December 31, 2014. Amortization expense was $25.8 million for 2015, $24.9 million for 2014 and $21.9 million for 2013. Estimated annual amortization expense for each of the next five years is approximately $26 million.

We periodically review intangible assets for impairment as events or changes in circumstances indicate that the carrying value may not be recoverable. If the carrying value exceeds fair value, we perform additional impairment tests to measure the amount of the impairment loss, if any.

Deferred Sales Commissions, Net

We pay commissions to financial intermediaries in connection with the sale of shares of open-end company-sponsored mutual funds sold without a front-end sales charge ("**back-end load shares**"). These commissions are capitalized as deferred sales commissions and amortized over periods not exceeding five and one-half years for U.S. fund shares and four years for Non-U.S. Fund shares, the periods of time during which deferred sales commissions generally are recovered. We recover these commissions from distribution services fees received from those funds and from contingent deferred sales commissions ("**CDSC**") received from shareholders of those funds upon the redemption of their shares. CDSC cash recoveries are recorded as reductions of unamortized deferred sales commissions when received. Since January 31, 2009, our U.S. mutual funds have not offered back-end load shares to new investors. However, our Non-U.S. Funds continue to offer back-end load shares.

We periodically review the deferred sales commission asset for impairment as events or changes in circumstances indicate that the carrying value may not be recoverable. If the carrying value exceeds fair value, we perform additional impairment tests to measure the amount of the impairment loss, if any.

Loss Contingencies

With respect to all significant litigation matters, we consider the likelihood of a negative outcome. If we determine the likelihood of a negative outcome is probable and the amount of the loss can be reasonably estimated, we record an estimated loss for the expected outcome of the litigation. If the likelihood of a negative outcome is reasonably possible and we are able to determine an estimate of the possible loss or range of loss in excess of amounts already accrued, if any, we disclose that fact together with the estimate of the possible loss or range of loss. However, it is often difficult to predict the outcome or estimate a possible loss or range of loss because litigation is subject to inherent uncertainties, particularly when plaintiffs allege substantial or indeterminate damages. Such is also the case when the litigation is in its early stages or when the litigation is highly complex or broad in scope. In these cases, we disclose that we are unable to predict the outcome or estimate a possible loss or range of loss.

Revenue Recognition

We record as revenue investment advisory and services fees, which we generally calculate as a percentage of AUM, as we perform the related services. Certain investment advisory contracts, including those associated with hedge funds or other alternative investments, provide for a performance-based fee, in addition to a base advisory fee, which is calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time. We record performance-based fees as a component of revenue at the end of each contract's measurement period.

We calculate AUM using established market-based valuation methods and fair valuation (non-observable market) methods. Market-based valuation methods include: last sale/settle prices from an exchange for actively-traded listed equities, options and futures; evaluated bid prices from recognized pricing vendors for fixed income, asset-backed or mortgage-backed issues; mid prices from recognized pricing vendors and brokers for credit default swaps; and quoted bids or spreads from pricing vendors and brokers for other derivative products. Fair valuation methods include: discounted cash flow models, evaluation of assets versus liabilities or any other methodology that is validated and approved by our Valuation Committee (*see paragraph immediately below* for additional information about our Valuation Committee). Fair valuation methods are used only where AUM cannot be valued using market-based valuation methods, such as in the case of private equity or illiquid securities. Investments utilizing fair valuation methods typically make up an insignificant amount of our total AUM.

The Valuation Committee, which consists of senior officers and employees, is responsible for overseeing the pricing and valuation of all investments held in client and AB portfolios. The Valuation Committee has adopted a Statement of Pricing Policies describing principles and policies that apply to pricing and valuing investments held in these portfolios. We also have a Pricing Group, which reports to the Valuation Committee, and is responsible for overseeing the pricing process for all investments.

Bernstein Research Services revenues consist primarily of brokerage commissions for research and brokerage-related services provided to institutional investors. Brokerage commissions earned and related expenses are recorded on a trade-date basis.

Distribution revenues, shareholder servicing fees (included in other revenues), and dividend and interest income are accrued as earned.

Contingent Payment Arrangements

We periodically enter into contingent payment arrangements in connection with our business combinations. In these arrangements, we agree to pay additional consideration to the sellers to the extent that certain performance targets are achieved. We estimate the fair value of these potential future obligations at the time a business combination is consummated and record a liability on our consolidated statements of financial condition. We then accrete the obligation to its expected payment amount over the measurement period. If our expected payment amount subsequently changes, the obligation is modified in the current period resulting in a gain or loss. Both gains and losses resulting from changes to expected payments and the accretion of these obligations to their expected payment amounts are reflected within contingent payment arrangements in our consolidated statements of income.

Mutual Fund Underwriting Activities

Purchases and sales of shares of company-sponsored mutual funds in connection with the underwriting activities of our subsidiaries, including related commission income, are recorded on trade date. Receivables from brokers and dealers for sale of shares of company-sponsored mutual funds generally are realized within three business days from trade date, in conjunction with the settlement of the related payables to company-sponsored mutual funds for share purchases. Distribution plan and other promotion and servicing payments are recognized as expense when incurred.

Long-term Incentive Compensation Plans

We maintain several unfunded, non-qualified long-term incentive compensation plans, under which we grant annual awards to employees, generally in the fourth quarter.

Awards granted in December 2015, 2014 and 2013 allowed participants to allocate their awards between restricted AB Holding Units and deferred cash. Participants (except certain members of senior management) generally could allocate up to 50% of their awards to deferred cash, not to exceed a total of $250,000 per award. Each of our employees based outside of the United States (other than expatriates), who received an award of $100,000 or less, could have allocated up to 100% of his or her award to deferred cash. Participants allocated their awards prior to the date on which the Compensation Committee granted awards in December 2015, 2014 and 2013. For these awards, the number of AB Holding Units awarded was based on the closing price of an AB Holding Unit on the grant date. For awards granted in 2015, 2014 and 2013:

- We engaged in open-market purchases of AB Holding Units or purchased newly-issued AB Holding Units from AB Holding that were awarded to participants and keep them in a consolidated rabbi trust.
- Quarterly distributions on vested and unvested AB Holding Units are paid currently to participants, regardless of whether or not a long-term deferral election has been made.
- Interest on deferred cash is accrued monthly based on our monthly weighted average cost of funds.

We recognize compensation expense related to equity compensation grants in the financial statements using the fair value method. Fair value of restricted AB Holding Unit awards is the closing price of an AB Holding Unit on the grant date; fair value of options is determined using the Black-Scholes option valuation model. Under the fair value method, compensatory expense is measured at the grant date based on the estimated fair value of the award and is recognized over the required service period. For year-end long-term incentive compensation awards, employees who resign or are terminated without cause may retain their awards, subject to compliance with certain agreements and restrictive covenants set forth in the applicable award agreement, including restrictions on competition and employee and client solicitation, and a claw-back for failing to follow existing risk management policies. Because there is no service requirement, we fully expense these awards on grant date. Most equity replacement, sign-on or similar deferred compensation awards included in separate employment agreements or arrangements include a required service period. Regardless of whether or not the award agreement includes employee service requirements, AB Holding Units typically are distributed to employees ratably over four years, unless the employee has made a long-term deferral election.

Grants of restricted AB Holding Units and options to buy AB Holding Units typically are awarded during the second quarter to members of the Board of Directors of the General Partner, who are not employed by our company or by any of our affiliates (“**Eligible Directors**”). Restricted AB Holding Units are distributed on the third anniversary of the grant date and the options become exercisable ratably over three years. These restricted AB Holding Units and options are not forfeitable (except if the Eligible Director is terminated for “Cause”, as that term is defined in the applicable award agreement). Because there is no service requirement, we fully expense these awards on grant date.

We fund our restricted AB Holding Unit awards either by purchasing AB Holding Units on the open market or purchasing newly-issued AB Holding Units from AB Holding, and then keeping all of these AB Holding Units in a consolidated rabbi trust until distributing them to employees or retiring them. In accordance with the Amended and Restated Agreement of Limited Partnership of AB ("**AB Partnership Agreement**"), when AB purchases newly-issued AB Holding Units from AB Holding, AB Holding is required to use the proceeds it receives from AB to purchase the equivalent number of newly-issued AB Units, thus increasing its percentage ownership interest in AB. AB Holding Units held in the consolidated rabbi trust are corporate assets in the name of the trust and are available to the general creditors of AB.

During 2015 and 2014, we purchased 8.5 million and 3.6 million AB Holding Units for $218.3 million and $92.8 million, respectively (on a trade date basis). These amounts reflect open-market purchases of 5.8 million and 0.3 million AB Holding Units for $151.1 million and $7.2 million, respectively, with the remainder relating to purchases of AB Holding Units from employees to allow them to fulfill statutory tax withholding requirements at the time of distribution of long-term incentive compensation awards. Purchases of AB Holding Units reflected on the consolidated statements of cash flows are net of AB Holding Units purchased by employees as part of a distribution reinvestment election.

Each quarter, we implement plans to repurchase AB Holding Units pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended ("**Exchange Act**"). A Rule 10b5-1 plan allows a company to repurchase its shares at times when it otherwise might be prevented from doing so because of self-imposed trading blackout periods or because it possesses material non-public information. Each broker we select has the authority under the terms and limitations specified in the plan to repurchase AB Holding Units on our behalf in accordance with the terms of the plan. Repurchases are subject to regulations promulgated by the SEC as well as certain price, market volume and timing constraints specified in the plan. The plan adopted during the fourth quarter of 2015 expired at the close of business on February 10, 2016. We may adopt additional Rule 10b5-1 plans in the future to engage in open-market purchases of AB Holding Units to help fund anticipated obligations under our incentive compensation award program and for other corporate purposes.

During 2015, we granted to employees and Eligible Directors 7.4 million restricted AB Holding Unit awards (including 7.0 million granted in December for 2015 year-end awards to employees). During 2014, we granted to employees and Eligible Directors 7.6 million restricted AB Holding Unit awards (including 6.6 million granted in December for 2014 year-end awards to employees).

During 2015 and 2014, AB Holding issued 0.5 million and 1.1 million AB Holding Units, respectively, upon exercise of options to buy AB Holding Units. AB Holding used the proceeds of $9.2 million and $19.0 million, respectively, received from employees as payment in cash for the exercise price to purchase the equivalent number of newly-issued AB Units.

Foreign Currency Translation and Transactions

Assets and liabilities of foreign subsidiaries are translated from the functional currencies into United States dollars ("**US$**") at exchange rates in effect at the balance sheet dates, and related revenues and expenses are translated into US$ at average exchange rates in effect during each period. Net foreign currency gains and losses resulting from the translation of assets and liabilities of foreign operations into US$ are reported as a separate component of other comprehensive income in the consolidated statements of comprehensive income. Net foreign currency transaction gains (losses) were $1.0 million, $(1.6) million, and $(3.1) million for 2015, 2014 and 2013, respectively, and are reported in general and administrative expenses on the consolidated statements of income.

Cash Distributions

AB is required to distribute all of its Available Cash Flow, as defined in the AB Partnership Agreement, to its Unitholders and to the General Partner. Available Cash Flow can be summarized as the cash flow received by AB from operations minus such amounts as the General Partner determines, in its sole discretion, should be retained by AB for use in its business, or plus such amounts as the General Partner determines, in its sole discretion, should be released from previously retained cash flow.

Typically, Available Cash Flow has been the adjusted diluted net income per unit for the quarter multiplied by the number of general and limited partnership interests at the end of the quarter. In future periods, management anticipates that Available Cash Flow will be based on adjusted diluted net income per unit, unless management determines that one or more non-GAAP adjustments that are made for adjusted net income should not be made with respect to the Available Cash Flow calculation.

On February 11, 2016, the General Partner declared a distribution of $0.56 per AB Unit, representing a distribution of Available Cash Flow for the three months ended December 31, 2015. The General Partner, as a result of its 1% general partnership interest, is entitled to receive 1% of each distribution. The distribution is payable on March 10, 2016 to holders of record on February 22, 2016.

Total cash distributions per Unit paid to the General Partner and Unitholders during 2015, 2014 and 2013 were $2.18, $2.11 and $1.69, respectively.

Comprehensive Income

We report all changes in comprehensive income in the consolidated statements of comprehensive income. Comprehensive income includes net income, as well as unrealized gains and losses on investments classified as available-for-sale, foreign currency translation adjustments, and unrecognized actuarial net losses and transition assets. Deferred taxes are not recognized on foreign currency translation adjustments for foreign subsidiaries whose earnings are considered permanently invested outside the United States.

3. Real Estate Charges

During 2010, we performed a comprehensive review of our real estate requirements in New York in connection with our workforce reductions, which commenced in 2008. As a result, during 2010 we decided to sub-lease over 380,000 square feet in New York (all of this space has been sublet) and consolidate our New York-based employees into two office locations from three. During the third quarter of 2012, in an effort to further reduce our global real estate footprint, we completed a comprehensive review of our worldwide office locations and began implementing a global space consolidation plan. As a result, our intention is to sub-lease approximately 510,000 square feet of office space (in excess of 90% of this space has been sublet), more than 70% of which is New York office space (in addition to the 380,000 square feet space reduction in 2010), with the remainder consisting of office space in England, Australia and various U.S. locations.

During 2013, we recorded pre-tax real estate charges of $28.4 million, comprising $17.4 million from a change in estimates related to previously recorded real estate charges ($17.0 million related to the 2010 and 2012 plans and $0.4 million related to other real estate charges), new real estate charges of $6.6 million ($1.3 million related to the 2012 plan and $5.3 million related to other real estate charges) and $4.4 million for the write-off of leasehold improvements, furniture and equipment.

During 2014, we recorded pre-tax real estate charges of $0.1 million, comprising $5.5 million for the write-off of leasehold improvements, furniture and equipment ($5.0 million related to the 2012 plan and $0.5 million related to other real estate charges), offset by $4.7 million from a change in estimates related to previously recorded real estate charges (primarily relating to the 2010 and 2012 plans) and $0.7 million in credits related to other items.

During 2015, we recorded pre-tax real estate charges of $1.0 million, resulting from a change in estimates related to previously recorded real estate charges.

The activity in the liability account relating to our 2010 and 2012 office space consolidation initiatives for the following periods is as follows:

	Year Ended December 31,	
	2015	**2014**
	(in thousands)	
Balance as of January 1,	$ 148,429	$ 199,527
Expense (credit) incurred	2,258	(4,755)
Payments made	(38,920)	(50,893)
Interest accretion	4,297	4,550
Balance as of end of period	**$ 116,064**	**$ 148,429**

4. Net Income Per Unit

Basic net income per unit is derived by reducing net income for the 1% general partnership interest and dividing the remaining 99% by the basic weighted average number of units outstanding for each year. Diluted net income per unit is derived by reducing net income for the 1% general partnership interest and dividing the remaining 99% by the total of the diluted weighted average number of units outstanding for each year.

	Year Ended December 31,		
	2015	2014	2013
	(in thousands, except per unit amounts)		
Net income attributable to AB Unitholders	$ 586,602	$ 570,383	$ 517,676
Weighted average units outstanding—basic	271,745	269,118	271,258
Dilutive effect of compensatory options to buy AB Holding Units	1,037	1,148	961
Weighted average units outstanding—diluted	272,782	270,266	272,219
Basic net income per AB Unit	**$ 2.14**	**$ 2.10**	**$ 1.89**
Diluted net income per AB Unit	**$ 2.13**	**$ 2.09**	**$ 1.88**

For the years ended December 31, 2015, 2014 and 2013, we excluded 2,409,499, 2,806,033 and 2,923,035 options, respectively, from the diluted net income per unit computation due to their anti-dilutive effect.

5. Cash and Securities Segregated Under Federal Regulations and Other Requirements

As of December 31, 2015 and 2014, $0.5 billion and $0.4 billion, respectively, of U.S. Treasury Bills were segregated in a special reserve bank custody account for the exclusive benefit of our brokerage customers under Rule 15c3-3 of the Exchange Act.

One of our subsidiaries, which serves as the distributor of our U.S. mutual funds, maintains several special bank accounts for the exclusive benefit of customers. As of December 31, 2015 and 2014, $55.4 million and $61.3 million, respectively, of cash was segregated in these bank accounts.

6. Investments

Investments consist of:

	December 31,	
	2015	2014
	(in thousands)	
Available-for-sale (primarily seed capital)	$ 364	$ 6,172
Trading:		
Long-term incentive compensation-related	59,150	74,095
U.S. Treasury Bills	24,942	28,982
Seed capital	406,322	400,746
Equities	43,584	79,720
Exchange-traded options	5,910	22,290
Investments in limited partnership hedge funds:		
Long-term incentive compensation-related	19,004	24,684
Seed capital	20,082	33,951
Consolidated private equity fund (10% seed capital)	23,897	32,604
Private equity (seed capital)	48,761	48,734
Other	17,784	11,497
Total investments	**$ 669,800**	**$ 763,475**

Total investments related to long-term incentive compensation obligations of $78.2 million and $98.8 million as of December 31, 2015 and 2014, respectively, consist of company-sponsored mutual funds and hedge funds. For long-term incentive compensation awards granted before 2009, we typically made investments in our services that were notionally elected by plan participants and maintained them (and continue to maintain them) in a consolidated rabbi trust or separate custodial account. The rabbi trust and custodial account enable us to hold such investments separate from our other assets for the purpose

of settling our obligations to participants. The investments held in the rabbi trust and custodial account remain available to the general creditors of AB.

The underlying investments of hedge funds in which we invest include long and short positions in equity securities, fixed income securities (including various agency and non-agency asset-based securities), currencies, commodities and derivatives (including various swaps and forward contracts). These investments are valued at quoted market prices or, where quoted market prices are not available, are fair valued based on the pricing policies and procedures of the underlying funds.

U.S. Treasury Bills, the majority of which are pledged as collateral with clearing organizations, are held in our investment account. These clearing organizations have the ability by contract or custom to sell or re-pledge this collateral.

We allocate seed capital to our investment teams to help develop new products and services for our clients. The seed capital trading investments are equity and fixed income products, primarily in the form of separately-managed account portfolios, U.S. mutual funds, Luxembourg funds, Japanese investment trust management funds or Delaware business trusts. We also may allocate seed capital to investments in private equity funds, such as our consolidated venture capital fund, which holds technology, media, telecommunications, healthcare and clean-tech investments, and a third-party venture capital fund that invests in communications, consumer, digital media, healthcare and information technology markets.

Trading securities also include long positions in corporate equities, an exchange-traded fund and long exchange-traded options traded through our options desk.

The cost and fair value of available-for-sale and trading investments held as of December 31, 2015 and 2014 were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
December 31, 2015:				
Available-for-sale:				
Equity investments	$ 1,778	$ 9	$ (1,606)	$ 181
Fixed income investments	197	3	(17)	183
	$ 1,975	$ 12	$ (1,623)	$ 364
Trading:				
Equity investments	$ 357,844	$ 2,230	$ (27,896)	$ 332,178
Fixed income investments	215,122	391	(7,783)	207,730
	$ 572,966	$ 2,621	$ (35,679)	$ 539,908
December 31, 2014:				
Available-for-sale:				
Equity investments	$ 4,339	$ 1,625	$ (13)	$ 5,951
Fixed income investments	202	19	—	221
	$ 4,541	$ 1,644	$ (13)	$ 6,172
Trading:				
Equity investments	$ 411,898	$ 18,370	$ (20,476)	$ 409,792
Fixed income investments	199,645	2,646	(6,250)	196,041
	$ 611,543	$ 21,016	$ (26,726)	$ 605,833

Proceeds from sales of available-for-sale investments were approximately $4.2 million, $0.1 million and $10.9 million in 2015, 2014 and 2013, respectively. Realized gains from our sales of available-for-sale investments were $1.3 million in 2015, zero in 2014 and $4.7 million in 2013. Realized losses from our sales of available-for-sale investments were zero in 2015, 2014 and 2013, respectively. We assess valuation declines to determine the extent to which such declines are fundamental to the underlying investment or attributable to temporary market-related factors. Based on our assessment as of December 31, 2015, we do not believe the declines are other than temporary.

The portion of trading gains (losses) related to trading securities held as of December 31, 2015 and 2014 were as follows:

	December 31,	
	2015	2014
	(in thousands)	
Net (losses) gains recognized during the period	$ (27,246)	$ 12,461
Less: net gains recognized during the period on trading securities sold during the period	5,812	18,171
Unrealized (losses) recognized during the period on trading securities held	**$ (33,058)**	**$ (5,710)**

7. Derivative Instruments

We enter into various futures, forwards and swaps to economically hedge certain seed capital investments. Also, we have currency forwards that economically hedge certain cash accounts and exchange-traded futures to economically hedge a foreign investment. In addition, our options desk trades long and short exchange-traded equity options. We do not hold any derivatives designated in a formal hedge relationship under Accounting Standards Codification ("**ASC**") 815-10, *Derivatives and Hedging*.

The notional value, fair value and gains and losses recognized in investment gains (losses) as of December 31, 2015 and 2014 for derivative instruments (excluding our options desk trading activities *discussed below*) not designated as hedging instruments were as follows:

	Notional Value	Derivative Assets	Derivative Liabilities	Gains (Losses)
		(in thousands)		
December 31, 2015				
Exchange-traded futures	$ 160,755	$ 1,539	$ 2,651	$ 8,572
Currency forwards	262,873	4,604	4,077	7,445
Interest rate swaps	65,484	2,945	3,745	(443)
Credit default swaps	29,421	2,089	774	(253)
Option swaps	24	9	2	11
Total return swaps	146,001	1,402	972	(160)
Total derivatives	**$ 664,558**	**$ 12,588**	**$ 12,221**	**$ 15,172**
December 31, 2014				
Exchange-traded futures	$ 149,863	$ 571	$ 2,438	$ (3,766)
Currency forwards	149,282	1,782	333	3,160
Interest rate swaps	50,591	1,507	2,679	(2,941)
Credit default swaps	32,745	1,432	110	(826)
Option swaps	11	107	88	(338)
Total return swaps	125,913	1,388	3,744	(14,566)
Total derivatives	**$ 508,405**	**$ 6,787**	**$ 9,392**	**$ (19,277)**

As of December 31, 2015 and 2014, the derivative assets and liabilities are included in both receivables and payables to brokers and dealers on our consolidated statements of financial condition. Gains and losses on derivative instruments are reported in investment gains and losses on the consolidated statements of income.

We may be exposed to credit-related losses in the event of nonperformance by counterparties to derivative financial instruments. We minimize our counterparty exposure through a credit review and approval process. In addition, we executed various collateral arrangements with counterparties to the over-the-counter derivative transactions that require both pledging and accepting collateral in the form of cash. As of December 31, 2015 and 2014, we held $1.5 million and $1.0 million,

respectively, of cash collateral payable to trade counterparties. This obligation to return cash is reported in payables to brokers and dealers in our consolidated statements of financial condition.

Although notional amount is the most commonly used measure of volume in the derivatives market, it is not used as a measure of credit risk. Generally, the current credit exposure of our derivative contracts is limited to the net positive estimated fair value of derivative contracts at the reporting date after taking into consideration the existence of netting agreements and any collateral received. A derivative with positive value (a derivative asset) indicates existence of credit risk because the counterparty would owe us if the contract were closed. Alternatively, a derivative contract with negative value (a derivative liability) indicates we would owe money to the counterparty if the contract were closed. Generally, if there is more than one derivative transaction with a single counterparty, a master netting arrangement exists with respect to derivative transactions with that counterparty to provide for aggregate net settlement.

Certain of our standardized contracts for over-the-counter derivative transactions ("**ISDA Master Agreements**") contain credit risk related contingent provisions pertaining to each counterparty's credit rating. In some ISDA Master Agreements, if the counterparty's credit rating, or in some agreements, our AUM, falls below a specified threshold, either a default or a termination event permitting the counterparty to terminate the ISDA Master Agreement would be triggered. In all agreements that provide for collateralization, various levels of collateralization of net liability positions are applicable, depending on the credit rating of the counterparty. As of December 31, 2015 and 2014, we delivered $12.8 million and $13.2 million, respectively, of cash collateral into brokerage accounts. We report this cash collateral in cash and cash equivalents in our consolidated statements of financial condition.

As of December 31, 2015 and 2014, we held $5.9 million and $22.3 million, respectively, of long exchange-traded equity options, which are classified as trading investments and included in our other investments on our consolidated statements of financial condition. In addition, as of December 31, 2015 and 2014, we had $0.8 million and $7.1 million, respectively, of short exchange-traded equity options, which are included in securities sold not yet purchased on our consolidated statements of financial condition. Our options desk provides our clients with equity derivative strategies and execution for exchange-traded options on single stocks, exchange-traded funds and indices. While predominately agency-based, the options desk may commit capital to facilitate a client's transaction. Our options desk hedges the risk associated with this activity by taking offsetting positions in equities. For the years ended December 31, 2015 and 2014, respectively, we recognized $65.0 million and $140.0 million, respectively, of losses on equity options activity. These losses are recognized in investment gains (losses) in the consolidated statements of income.

8. Offsetting Assets and Liabilities

Offsetting of assets as of December 31, 2015 and 2014 was as follows:

	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Financial Position	Net Amounts of Assets Presented in the Statement of Financial Position	Financial Instruments	Cash Collateral Received	Net Amount
			(in thousands)			
December 31, 2015						
Securities borrowed	$ 75,274	$ —	$ 75,274	$ —	$ (75,274)	$ —
Derivatives	$ 12,588	$ —	$ 12,588	$ —	$ (1,518)	$ 11,070
Long exchange-traded options	$ 5,910	$ —	$ 5,910	$ —	$ —	$ 5,910
December 31, 2014						
Securities borrowed	$ 158,147	$ —	$ 158,147	$ —	$ (158,147)	$ —
Derivatives	$ 6,787	$ —	$ 6,787	$ —	$ (990)	$ 5,797
Long exchange-traded options	$ 22,290	$ —	$ 22,290	$ —	$ —	$ 22,290

Offsetting of liabilities as of December 31, 2015 and 2014 was as follows:

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Financial Position	Net Amounts of Liabilities Presented in the Statement of Financial Position	Financial Instruments	Cash Collateral Pledged	Net Amount
			(in thousands)			
December 31, 2015						
Securities loaned	$ 9,518	$ —	$ 9,518	$ —	$ (9,518)	$ —
Derivatives	$ 12,221	$ —	$ 12,221	$ —	$ (12,221)	$ —
Short exchange-traded options	$ 843	$ —	$ 843	$ —	$ —	$ 843
December 31, 2014						
Securities loaned	$ 33,645	$ —	$ 33,645	$ —	$ (33,645)	$ —
Derivatives	$ 9,392	$ —	$ 9,392	$ —	$ (9,392)	$ —
Short exchange-traded options	$ 7,118	$ —	$ 7,118	$ —	$ —	$ 7,118

Cash collateral, whether pledged or received on derivative instruments, is not considered material and, accordingly, is not disclosed by counterparty.

9. Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (*i.e.*, the **"exit price"**) in an orderly transaction between market participants at the measurement date. The three broad levels of fair value hierarchy are as follows:

- Level 1—Quoted prices in active markets are available for identical assets or liabilities as of the reported date.
- Level 2—Quoted prices in markets that are not active or other pricing inputs that are either directly or indirectly observable as of the reported date.
- Level 3—Prices or valuation techniques that are both significant to the fair value measurement and unobservable as of the reported date. These financial instruments do not have two-way markets and are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Valuation of our financial instruments by pricing observability levels as of December 31, 2015 and 2014 was as follows (in thousands):

	Level 1	Level 2	Level 3	Total
December 31, 2015:				
Money markets	$ 116,445	$ —	$ —	$ 116,445
U.S. Treasury Bills	—	485,121	—	485,121
Available-for-sale				
Equity securities	181	—	—	181
Fixed income securities	183	—	—	183
Trading				
Equity securities	304,083	22,070	116	326,269
Fixed income securities	180,194	2,594	—	182,788
Long exchange-traded options	5,910	—	—	5,910
Derivatives	1,539	11,049	—	12,588
Private equity	14,305	—	48,102	62,407
Total assets measured at fair value	**$ 622,840**	**$ 520,834**	**$ 48,218**	**$ 1,191,892**
Securities sold not yet purchased				
Short equities – corporate	$ 15,254	$ —	$ —	$ 15,254
Short exchange-traded options	843	—	—	843
Derivatives	2,651	9,570	—	12,221
Contingent payment arrangements	—	—	31,399	31,399
Total liabilities measured at fair value	**$ 18,748**	**$ 9,570**	**$ 31,399**	**$ 59,717**
December 31, 2014:				
Money markets	$ 89,566	$ —	$ —	$ 89,566
U.S. Treasury Bills	—	444,152	—	444,152
Available-for-sale				
Equity securities	5,951	—	—	5,951
Fixed income securities	221	—	—	221
Trading				
Equity securities	387,495	7	—	387,502
Fixed income securities	164,317	2,742	—	167,059
Long exchange-traded options	22,290	—	—	22,290
Derivatives	571	6,216	—	6,787
Private equity	12,162	—	58,926	71,088
Total assets measured at fair value	**$ 682,573**	**$ 453,117**	**$ 58,926**	**$ 1,194,616**
Securities sold not yet purchased				
Short equities – corporate	$ 81,784	$ —	$ —	$ 81,784
Short exchange-traded options	7,118	—	—	7,118
Derivatives	2,438	6,954	—	9,392
Contingent payment arrangements	—	—	42,436	42,436
Total liabilities measured at fair value	**$ 91,340**	**$ 6,954**	**$ 42,436**	**$ 140,730**

Included in Note 6, Investments, but excluded in the above fair value table, are the following investments:

• Limited partnership hedge funds, which are recorded using the equity method of accounting;

• One private equity investment, which is recorded using the cost method of accounting; and

• Other investments, which primarily include miscellaneous investments recorded using the cost or equity method of accounting and long-term deposits.

We *provide below* a description of the fair value methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy:

- ***Money markets:*** We invest excess cash in various money market funds that are valued based on quoted prices in active markets; these are included in Level 1 of the valuation hierarchy.
- ***Treasury Bills:*** We hold U.S. Treasury Bills, which are primarily segregated in a special reserve bank custody account as required by Rule 15c3-3 of the Exchange Act. These securities are valued based on quoted yields in secondary markets and are included in Level 2 of the valuation hierarchy.
- ***Equity and fixed income securities:*** Our equity and fixed income securities consist principally of company-sponsored mutual funds with net asset values and various separately-managed portfolios consisting primarily of equity and fixed income securities with quoted prices in active markets, which are included in Level 1 of the valuation hierarchy. In addition, some securities are valued based on observable inputs from recognized pricing vendors, which are included in Level 2 of the valuation hierarchy.
- ***Derivatives:*** We hold exchange-traded futures with counterparties that are included in Level 1 of the valuation hierarchy. In addition, we hold currency forward contracts, interest rate swaps, credit default swaps, option swaps and total return swaps with counterparties that are included in Level 2 of the valuation hierarchy.
- ***Options:*** We hold long exchange-traded options that are included in Level 1 of the valuation hierarchy.
- ***Private equity:*** Generally, the valuation of private equity investments owned by our consolidated venture capital fund or by us directly (regarding an investment in a private equity fund focused exclusively on the energy sector) requires significant management judgment due to the absence of quoted market prices, inherent lack of liquidity and the long-term nature of such investments. Private equity investments are valued initially at cost. The carrying values of private equity investments are adjusted either up or down from cost to reflect expected exit values as evidenced by financing and sale transactions with third parties, or when determination of a valuation adjustment is confirmed through ongoing review in accordance with our valuation policies and procedures. A variety of factors are reviewed and monitored to assess positive and negative changes in valuation, including current operating performance and future expectations of investee companies, industry valuations of comparable public companies, changes in market outlooks, and the third party financing environment over time. In determining valuation adjustments resulting from the investment review process, particular emphasis is placed on current company performance and market conditions. For these reasons, which make the fair value of private equity investments unobservable, equity investments are included in Level 3 of the valuation hierarchy. We also invest in a third-party venture capital fund in which fair value is based on our capital account balance provided by the partnership and is included in Level 3 of the valuation hierarchy. If private equity investments owned by our consolidated venture capital fund become publicly-traded, they are included in Level 1 of the valuation hierarchy. Also, if they contain trading restrictions, publicly-traded equity investments are included in Level 2 of the valuation hierarchy until the trading restrictions expire. During the first quarter of 2014, the trading restriction period for one of our public securities lapsed and, as a result, $3.0 million was transferred from a Level 2 classification to a Level 1 classification. During the second quarter of 2014, the trading restriction period for one of our public securities lapsed and, as a result, $4.0 million was transferred from a Level 2 classification to a Level 1 classification. During the third quarter of 2014, one of our investments began actively trading and, as a result, $1.6 million was transferred from a Level 3 classification to a Level 1 classification. During the first quarter of 2015, $26,000 was transferred from a Level 3 classification to a Level 1 classification.
- ***Securities sold not yet purchased:*** Securities sold not yet purchased, primarily reflecting short positions in equities and exchange-traded options, are included in Level 1 of the valuation hierarchy.
- ***Contingent payment arrangements:*** Contingent payment arrangements relate to contingent payment liabilities assocaited with acquisitions in 2010, 2013 and 2014. At each reporting date, we estimate the fair values of the

contingent consideration expected to be paid upon probability-weighted AUM and revenue projections, using observable market data inputs, which are included in Level 3 of the valuation hierarchy.

The change in carrying value associated with Level 3 financial instruments carried at fair value, classified as private equity investments and trading equity securities, is as follows:

	December 31, 2015	December 31, 2014
	(in thousands)	
Balance as of beginning of period	$ 58,926	$ 52,081
Transfers out	(26)	(1,594)
Purchases	198	7,976
Sales	(18,069)	(1,121)
Realized gains (losses), net	4,921	721
Unrealized gains (losses), net	2,268	863
Balance as of end of period	**$ 48,218**	**$ 58,926**

Transfers into and out of all levels of the fair value hierarchy are reflected at end-of-period fair values. Realized and unrealized gains and losses on Level 3 financial instruments are recorded in investment gains and losses in the consolidated statements of income. Approximately 20% of the Level 3 investments are private equity investments owned by our consolidated venture capital fund, of which we own 10% and non-controlling interests own 90%.

Quantitative information about private equity Level 3 fair value measurements as of December 31, 2015 and 2014 is as follows:

	Fair Value as of December 31, 2015	Valuation Technique	Unobservable Input	Range
	(in thousands)			
Technology, Media and Telecommunications	$ 9,527	Market comparable companies	Revenue multiple	2.5 – 4.8
			Marketability discount	30%

Also, as of December 31, 2015, we have an investment in a private equity fund focused exclusively on the energy sector (fair value of $6.5 million) that is classified as Level 3. This investment's valuation is based on a market approach, considering recent transactions of the fund and the industry.

One of our private equity investments is a venture capital fund (fair value of $32.0 million and unfunded commitment of $2.9 million as of December 31, 2015) that invests in communications, consumer, digital media, healthcare and information technology markets. In addition, one of the investments included in our consolidated private equity fund (fair value of $0.1 million and no unfunded commitment as of December 31, 2015) is a venture capital fund investing in clean energy, resource and energy efficiency and other sustainable industries. The fair value of each of these investments has been estimated using the capital account balances provided by the partnerships. The interests in these partnerships cannot be redeemed.

	Fair Value as of December 31, 2014 (in thousands)	Valuation Technique	Unobservable Input	Range
Technology, Media and Telecommunications	$ 20,112	Market comparable companies	Revenue multiple	2.0 – 3.5
			Discount rate	18%
			Discount years	2.0

In addition, as of December 31, 2014, there were two private equity investments (with a combined fair value of $0.2 million) in the Healthcare and Clean-tech category that are classified as Level 3. The first investment is valued based on liquidation value and the second investment is a warrant valued using the Black-Scholes option valuation model. Also, we have an investment in a private equity fund focused exclusively on the energy sector (fair value of $7.5 million) that is classified as Level 3. This investment's valuation is based on a market approach, considering recent transactions of the fund and the industry.

One of our private equity investments was a venture capital fund (fair value of $31.0 million and unfunded commitment of $2.9 million as of December 31, 2014) that invests in communications, consumer, digital media, healthcare and information technology markets. In addition, one of the investments included in our consolidated private equity fund (fair value of $0.1 million and no unfunded commitment as of December 31, 2014) is a venture capital fund investing in clean energy, resource and energy efficiency and other sustainable industries. The fair value of each of these investments has been estimated using the capital account balances provided by the partnerships. The interests in these partnerships cannot be redeemed.

The significant unobservable inputs used in the fair value measurement of the reporting entities' venture capital securities in the Technology, Media and Telecommunications areas are enterprise value to revenue multiples and a discount rate to account for liquidity and various risk factors. Significant increases (decreases) in the enterprise value to revenue multiple inputs in isolation would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in the discount rate would result in a significantly lower (higher) fair value measurement.

The change in carrying value associated with Level 3 financial instruments carried at fair value, classified as contingent payment arrangements, is as follows:

	December 31, 2015	December 31, 2014
	(in thousands)	
Balance as of beginning of period	$ 42,436	$ 38,205
Addition	—	9,365
Accretion	1,770	1,593
Changes in estimates	(7,211)	(4,375)
Payments	(5,596)	(2,352)
Balance as of end of period	**$ 31,399**	**$ 42,436**

Our three acquisition-related contingent consideration liabilities (with a combined fair value of $31.4 million and $42.4 million as of December 31, 2015 and 2014, respectively) currently are valued using a projected AUM weighted average growth rate of 46%, a revenue growth rate of 43%, and a discount rate of 3% (using a cost of debt assumption). During the fourth quarters of 2015 and 2014, we recorded changes in estimates of the contingent consideration payable relating to recent acquisitions of $7.2 million and $4.4 million, respectively.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

We did not have any material assets or liabilities that were measured at fair value for impairment on a nonrecurring basis during the years ended December 31, 2015 or 2014.

10. Furniture, Equipment and Leasehold Improvements, Net

Furniture, equipment and leasehold improvements, net consist of:

	December 31,	
	2015	2014
	(in thousands)	
Furniture and equipment	$ 529,488	$ 532,512
Leasehold improvements	258,280	259,588
	787,768	792,100
Less: Accumulated depreciation and amortization	(627,408)	(631,144)
Furniture, equipment and leasehold improvements, net	**$ 160,360**	**$ 160,956**

Depreciation and amortization expense on furniture, equipment and leasehold improvements were $29.0 million, $36.2 million and $36.5 million for the years ended December 31, 2015, 2014 and 2013, respectively.

During 2015, 2014 and 2013, we recorded $1.0 million, $0.1 million and $28.4 million, respectively, in pre-tax real estate charges. Included in these charges during 2014 and 2013 were $5.5 million and $4.4 million, respectively, worth of leasehold improvements, furniture and equipment we wrote off related to the respective spaces. *See Note 3* for further discussion of the real estate charges.

11. Deferred Sales Commissions, Net

The components of deferred sales commissions, net for the years ended December 31, 2015 and 2014 were as follows (excluding amounts related to fully amortized deferred sales commissions):

	December 31,	
	2015	2014
	(in thousands)	
Carrying amount of deferred sales commissions	$ 970,671	$ 918,270
Less: Accumulated amortization	(606,963)	(557,818)
Cumulative CDSC received	(264,638)	(242,162)
Deferred sales commissions, net	**$ 99,070**	**$ 118,290**

Amortization expense was $49.1 million, $41.5 million and $41.3 million for the years ended December 31, 2015, 2014 and 2013, respectively. Estimated future amortization expense related to the December 31, 2015 net asset balance, assuming no additional CDSC is received in future periods, is as follows (in thousands):

2016	$ 41,359
2017	31,647
2018	21,021
2019	4,646
2020	344
2021	53
	$ 99,070

12. Debt

As of December 31, 2015 and 2014, AB had $583.9 million and $489.0 million, respectively, in commercial paper outstanding with weighted average interest rates of approximately 0.5% and 0.3%, respectively. The commercial paper is short term in nature, and as such, recorded value is estimated to approximate fair value (and considered a Level 2 security in the fair value hierarchy). Average daily borrowings of commercial paper during 2015 and 2014 were $387.9 million and $335.0 million, respectively, with weighted average interest rates of approximately 0.3% and 0.2%, respectively.

AB has a $1.0 billion committed, unsecured senior revolving credit facility ("**Credit Facility**") with a group of commercial banks and other lenders. The Credit Facility provides for possible increases in the principal amount by up to an aggregate incremental amount of $250 million; any such increase is subject to the consent of the affected lenders. The Credit Facility is available for AB's and Sanford C. Bernstein & Co., LLC's ("**SCB LLC**") business purposes, including the support of AB's $1.0 billion commercial paper program. Both AB and SCB LLC can draw directly under the Credit Facility and management may draw on the Credit Facility from time to time. AB has agreed to guarantee the obligations of SCB LLC under the Credit Facility.

The Credit Facility contains affirmative, negative and financial covenants, which are customary for facilities of this type, including, restrictions on dispositions of assets, restrictions on liens, a minimum interest coverage ratio and a maximum leverage ratio. As of December 31, 2015, we were in compliance with these covenants. The Credit Facility also includes customary events of default (with customary grace periods, as applicable), including provisions under which, upon the occurrence of an event of default, all outstanding loans may be accelerated and/or lender's commitments may be terminated. Also, under such provisions, upon the occurrence of certain insolvency- or bankruptcy-related events of default, all amounts payable under the Credit Facility would automatically become immediately due and payable, and the lender's commitments automatically would terminate.

Amounts under the Credit Facility may be borrowed, repaid and re-borrowed by us from time to time until the maturity of the facility. Voluntary prepayments and commitment reductions requested by us are permitted at any time without fee (other than customary breakage costs relating to the prepayment of any drawn loans) upon proper notice and subject to a minimum dollar requirement. Borrowings under the Credit Facility bear interest at a rate per annum, which will be, at our option, a rate equal to an applicable margin, which is subject to adjustment based on the credit ratings of AB, plus one of the following indices: London Interbank Offered Rate; a floating base rate; or the Federal Funds rate.

On October 22, 2014, as part of an amendment and restatement, the maturity date of the Credit Facility was extended from January 17, 2017 to October 22, 2019. There were no other significant changes included in the amendment.

As of December 31, 2015 and 2014, we had no amounts outstanding under the Credit Facility. During 2015 and 2014, we did not draw upon the Credit Facility.

In addition, SCB LLC has three uncommitted lines of credit with three financial institutions. Two of these lines of credit permit us to borrow up to an aggregate of approximately $200 million, with AB named as an additional borrower, while one line has no stated limit. As of December 31, 2015 and 2014, SCB LLC had no bank loans outstanding. Average daily borrowings of bank loans during 2015 and 2014 were $3.9 million and $5.5 million, respectively, with weighted average interest rates of approximately 1.2% and 1.1%, respectively.

13. Commitments and Contingencies

Operating Leases

We lease office space, furniture and office equipment under various operating leases. The future minimum payments under non-cancelable leases, sublease commitments and related payments we are obligated to make, net of sublease commitments of third party lessees to make payments to us, as of December 31, 2015, are as follows:

	Payments	Sublease Receipts	Net Payments
		(in millions)	
2016	$ 137.9	$ 43.7	$ 94.2
2017	139.0	42.5	96.5
2018	130.0	41.8	88.2
2019	124.1	41.2	82.9
2020	102.5	24.7	77.8
2021 and thereafter	740.5	102.1	638.4
Total future minimum payments	**$ 1,374.0**	**$ 296.0**	**$ 1,078.0**

Office leases contain escalation clauses that provide for the pass through of increases in operating expenses and real estate taxes. Rent expense, which is amortized on a straight-line basis over the life of the lease, was $70.7 million, $73.0 million and $74.7 million, respectively, for the years ended December 31, 2015, 2014 and 2013, net of sublease income of $2.9 million,

$3.3 million and $3.4 million, respectively, for the years ended December 31, 2015, 2014 and 2013. During 2015 and 2013, we accelerated rent of $1.0 million and $24.0 million, respectively, relating to our real estate consolidation plans. In addition, we had rent credits of $5.4 million during 2014. *See Note 3* for further discussion of the real estate charges.

Legal Proceedings

During the first quarter of 2012, we received a legal letter of claim ("**Letter of Claim**") sent on behalf of Philips Pension Trustees Limited and Philips Electronics U.K. Limited ("**Philips**"), a former pension fund client, alleging that AllianceBernstein Limited (one of our subsidiaries organized in the U.K.) was negligent and failed to meet certain applicable standards of care with respect to the initial investment in, and management of, a £500 million portfolio of U.S. mortgage-backed securities. Philips has alleged damages ranging between $177 million and $234 million, plus compound interest on an alleged $125 million of realized losses in the portfolio. On January 2, 2014, Philips filed a claim form ("**Claim**") in the High Court of Justice in London, England, which formally commenced litigation with respect to the allegations in the Letter of Claim.

We believe that any losses to Philips resulted from adverse developments in the U.S. housing and mortgage market that precipitated the financial crisis in 2008 and not from any negligence or other failure or malfeasance on our part. We believe that we have strong defenses to these claims, which are set forth in our October 12, 2012 response to the Letter of Claim and our June 27, 2014 Statement of Defence in response to the Claim, and intend to defend this matter vigorously.

In addition to the Claim *discussed immediately above*, we are involved in various other matters, including regulatory inquiries, administrative proceedings and litigation, some of which allege significant damages.

In management's opinion, an adequate accrual has been made as of December 31, 2015 to provide for any probable losses regarding any litigation matters for which we can reasonably estimate an amount of loss. It is reasonably possible that we could incur additional losses pertaining to these matters, but currently we cannot estimate any such additional losses.

Management, after consultation with legal counsel, currently believes that the outcome of any individual matter that is pending or threatened, or all of them combined, will not have a material adverse effect on our results of operations, financial condition or liquidity. However, any inquiry, proceeding or litigation has an element of uncertainty; management cannot determine whether further developments relating to any individual matter that is pending or threatened, or all of them combined, will have a material adverse effect on our results of operation, financial condition or liquidity in any future reporting period.

Other

During 2009, we entered into a subscription agreement, under which we committed to invest up to $35.0 million, as amended in 2011, in a venture capital fund over a six-year period. As of December 31, 2015, we had funded $32.1 million of this commitment.

During 2010, as general partner of AllianceBernstein U.S. Real Estate L.P. ("**Real Estate Fund**"), we committed to invest $25.0 million in the Real Estate Fund. As of December 31, 2015, we had funded $19.6 million of this commitment. During 2014, as general partner of AllianceBernstein U.S. Real Estate II L.P. ("**Real Estate Fund II**"), we committed to invest $28.0 million, as amended in 2015, in the Real Estate Fund II. As of December 31, 2015, we had funded $1.4 million of this commitment.

During 2012, we entered into an investment agreement under which we committed to invest up to $8.0 million in an oil and gas fund over a three-year period, as amended. As of December 31, 2015, we had funded $6.1 million of this commitment.

In December 2015, we provided a 60-day guarantee to a commercial bank for borrowings by a company-sponsored fund up to a maximum of $50.0 million. The bank provided the fund with a limited partner subscription line for the unfunded commitments of the fund's limited partners. The fund is expected to repay the bank by calling capital from the limited partners. To the extent the fund is not able to repay the loan to the bank, we will repay the loan under the guarantee, up to $50.0 million. The fund will repay us for all amounts paid by us under the guaranty. We have not been required to perform under this guarantee and currently have no liability in connection with this guarantee.

14. Net Capital

SCB LLC is registered as a broker-dealer under the Exchange Act and is subject to the minimum net capital requirements imposed by the U.S. Securities and Exchange Commission ("**SEC**"). SCB LLC computes its net capital under the alternative method permitted by the applicable rule, which requires that minimum net capital, as defined, equals the greater of $1 million or two percent of aggregate debit items arising from customer transactions, as defined. As of December 31, 2015, SCB LLC had net capital of $199.6 million, which was $171.8 million in excess of the minimum net capital requirement of $27.

8 million. Advances, dividend payments and other equity withdrawals by SCB LLC are restricted by regulations imposed by the SEC, the Financial Industry Regulatory Authority, Inc., and other securities agencies.

Our U.K.-based broker-dealer is a member of the London Stock Exchange. As of December 31, 2015, it was subject to financial resources requirements of $24.1 million imposed by the Financial Conduct Authority of the United Kingdom and had aggregate regulatory financial resources of $45.1 million, an excess of $21.0 million.

AllianceBernstein Investments, Inc., another one of our subsidiaries and the distributor and/or underwriter for certain company-sponsored mutual funds, is registered as a broker-dealer under the Exchange Act and is subject to the minimum net capital requirements imposed by the SEC. As of December 31, 2015, it had net capital of $49.0 million, which was $48.7 million in excess of its required net capital of $0.3 million.

Many of our subsidiaries around the world are subject to minimum net capital requirements by the local laws and regulations to which they are subject. As of December 31, 2015, each of our subsidiaries subject to a minimum net capital requirement satisfied the applicable requirement.

15. Counterparty Risk

Customer Activities

In the normal course of business, brokerage activities involve the execution, settlement and financing of various customer securities trades, which may expose our broker-dealer operations to off-balance sheet risk by requiring us to purchase or sell securities at prevailing market prices in the event the customer is unable to fulfill its contractual obligations.

Our customer securities activities are transacted on either a cash or margin basis. In margin transactions, we extend credit to the customer, subject to various regulatory and internal margin requirements. These transactions are collateralized by cash or securities in the customer’s account. In connection with these activities, we may execute and clear customer transactions involving the sale of securities not yet purchased. We seek to control the risks associated with margin transactions by requiring customers to maintain collateral in compliance with the aforementioned regulatory and internal guidelines. We monitor required margin levels daily and, pursuant to such guidelines, require customers to deposit additional collateral, or reduce positions, when necessary. A majority of our customer margin accounts are managed on a discretionary basis whereby we maintain control over the investment activity in the accounts. For these discretionary accounts, our margin deficiency exposure is minimized through maintaining a diversified portfolio of securities in the accounts and by virtue of our discretionary authority and our U.S-based broker-dealer's role as custodian.

In accordance with industry practice, we record customer transactions on a settlement date basis, which, during 2015, generally was three business days after trade date for our U.S. operations and two business days after trade date for our U.K. operations. We are exposed to risk of loss on these transactions in the event of the customer’s or broker’s inability to meet the terms of their contracts, in which case we may have to purchase or sell financial instruments at prevailing market prices. The risks we assume in connection with these transactions are not expected to have a material adverse effect on our financial condition or results of operations.

Other Counterparties

We are engaged in various brokerage activities on behalf of clients, in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event these counterparties do not fulfill their obligations, we may be exposed to loss. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is our policy to review, as necessary, each counterparty’s creditworthiness.

In connection with security borrowing and lending arrangements, we enter into collateralized agreements, which may result in potential loss in the event the counterparty to a transaction is unable to fulfill its contractual obligations. Security borrowing arrangements require us to deposit cash collateral with the lender. With respect to security lending arrangements, we receive collateral in the form of cash in amounts generally in excess of the market value of the securities loaned. We attempt to mitigate credit risk associated with these activities by establishing credit limits for each broker and monitoring these limits on a daily basis. Additionally, security borrowing and lending collateral is marked to market on a daily basis, and additional collateral is deposited by or returned to us as necessary.

We enter into various futures, forwards and swaps primarily to economically hedge certain of our seed money investments. We may be exposed to credit losses in the event of nonperformance by counterparties to these derivative financial instruments. *See Note 7, Derivative Instruments* for further discussion.

16. Qualified Employee Benefit Plans

We maintain a qualified profit sharing plan covering U.S. employees and certain foreign employees. Employer contributions are discretionary and generally limited to the maximum amount deductible for federal income tax purposes. Aggregate contributions for 2015, 2014 and 2013 were $14.2 million, $13.5 million and $12.8 million, respectively.

We maintain several defined contribution plans for foreign employees working for our subsidiaries in the United Kingdom, Australia, Japan and other locations outside the United States. Employer contributions generally are consistent with regulatory requirements and tax limits. Defined contribution expense for foreign entities was $7.9 million, $7.3 million and $6.0 million in 2015, 2014 and 2013, respectively.

We maintain a qualified, noncontributory, defined benefit retirement plan ("**Retirement Plan**") covering current and former employees who were employed by AB in the United States prior to October 2, 2000. Benefits are based on years of credited service, average final base salary (as defined in the Retirement Plan) and primary Social Security benefits. Service and compensation after December 31, 2008 are not taken into account in determining participants' retirement benefits.

Our policy is to satisfy our funding obligation for each year in an amount not less than the minimum required by the Employee Retirement Income Security Act of 1974, as amended, and not greater than the maximum amount we can deduct for federal income tax purposes. We did not make a contribution to the Retirement Plan during 2015. We currently do not plan to make a contribution to the Retirement Plan during 2016. Contribution estimates, which are subject to change, are based on regulatory requirements, future market conditions and assumptions used for actuarial computations of the Retirement Plan's obligations and assets. Management, at the present time, has not determined the amount, if any, of additional future contributions that may be required.

The Retirement Plan's projected benefit obligation, fair value of plan assets, and funded status (amounts recognized in the consolidated statements of financial condition) were as follows:

	Years Ended December 31,	
	2015	2014
	(in thousands)	
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 113,733	$ 93,548
Interest cost	4,816	4,895
Plan amendments	827	—
Actuarial (gain) loss	(6,698)	19,909
Benefits paid	(4,894)	(4,619)
Projected benefit obligation at end of year	107,784	113,733
Change in plan assets:		
Plan assets at fair value at beginning of year	90,320	83,831
Actual return on plan assets	866	5,108
Employer contribution	—	6,000
Benefits paid	(4,894)	(4,619)
Plan assets at fair value at end of year	86,292	90,320
Funded status	**$ (21,492)**	**$ (23,413)**

Effective December 31, 2015, the Retirement Plan was amended to change the actuarial basis used for converting a life annuity benefit to optional forms of payment and converting benefits payable at age 65 to earlier commencement dates. This prior service cost will be amortized over future years.

The amounts recognized in other comprehensive income (loss) for the Retirement Plan for 2015, 2014 and 2013 were as follows:

	2015	2014	2013
		(in thousands)	
Unrecognized net gain (loss) from experience different from that assumed and effects of changes and assumptions	$ 2,882	$ (20,803)	$ 22,871
Prior service cost	(895)	—	—
Unrecognized net plan assets as of January 1, 1987 being recognized over 26.3 years	—	—	(47)
	1,987	(20,803)	22,824
Income tax (expense) benefit	(99)	232	(388)
Other comprehensive income (loss)	**$ 1,888**	**$ (20,571)**	**$ 22,436**

The gain of $1.9 million recognized in 2015 primarily was due to changes in the discount rate and lump sum interest rates ($5.6 million) and changes in the mortality assumption ($1.4 million), offset by expected earnings on plan assets exceeding actual earnings ($5.3 million). The loss of $20.6 million recognized in 2014 primarily was due to changes in the discount rate ($12.0 million) and changes in the mortality assumption ($7.5 million). The gain of $22.4 million recognized in 2013 primarily was due to changes in the discount rate ($16.1 million) and earnings of plan assets exceeding expectations ($6.2 million).

Foreign retirement plans and an individual's retirement plan maintained by AB are not material to AB's consolidated financial statements. As such, disclosure for these plans are not necessary. The reconciliation of the 2015 amounts recognized in other comprehensive income for the Retirement Plan as compared to the consolidated statement of comprehensive income ("OCI Statement") is as follows:

	Retirement Plan	Retired Individual Plan	Foreign Retirement Plans	OCI Statement
		(in thousands)		
Recognized actuarial (loss) gain	$ 2,882	$ 96	$ 289	$ 3,267
Amortization of prior service cost	(895)	—	—	(895)
Changes in employee benefit related items	1,987	96	289	2,372
Income tax (expense) benefit	(99)	(2)	(64)	(165)
Employee benefit related items, net of tax	**$ 1,888**	**$ 94**	**$ 225**	**$ 2,207**

The amounts included in accumulated other comprehensive income (loss) for the Retirement Plan as of December 31, 2015 and 2014 were as follows:

	2015	2014
	(in thousands)	
Unrecognized net loss from experience different from that assumed and effects of changes and assumptions	$ (43,314)	$ (46,196)
Prior service cost	(895)	—
	(44,209)	(46,196)
Income tax benefit	468	567
Accumulated other comprehensive loss	**$ (43,741)**	**$ (45,629)**

The amortization period over which we are amortizing the loss for the Retirement Plan from accumulated other comprehensive income is 36 years. The estimated prior service cost and amortization of loss for the Retirement Plan that will be amortized from accumulated other comprehensive income over the next year are $23,416 and $936,295, respectively.

The accumulated benefit obligation for the plan was $107.8 million and $113.7 million, respectively, as of December 31, 2015 and 2014.

The discount rates used to determine benefit obligations as of December 31, 2015 and 2014 (measurement dates) were 4.75% and 4.3%, respectively.

Benefit payments are expected to be paid as follows (in thousands):

2016	$ 5,599
2017	4,400
2018	5,195
2019	5,920
2020	4,889
2021-2025	35,655

Net (benefit) expense under the Retirement Plan consisted of:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Interest cost on projected benefit obligations	$ 4,816	$ 4,895	$ 4,640
Expected return on plan assets	(6,176)	(6,493)	(5,347)
Amortization of transition asset	—	—	(47)
Recognized actuarial loss	979	490	1,109
Net pension (benefit) expense	**$ (381)**	**$ (1,108)**	**$ 355**

Actuarial computations used to determine net periodic costs were made utilizing the following weighted-average assumptions:

	Years Ended December 31,		
	2015	2014	2013
Discount rate on benefit obligations	4.3%	5.3%	4.4%
Expected long-term rate of return on plan assets	7.0	7.5	7.5

In developing the expected long-term rate of return on plan assets of 7.0%, management considered the historical returns and future expectations for returns for each asset category, as well as the target asset allocation of the portfolio. The expected long-term rate of return on assets is based on weighted average expected returns for each asset class.

As of December 31, 2015, the mortality assumption has been updated to the published Society of Actuaries (“**SOA**”) Study RP-2014 table adjusted to 2006 and projected with MP-2015 improvement scale. Previously, mortality had been assumed using the RP-2014 table and mortality improvement scale.

It is expected that the Internal Revenue Service (“**IRS**”) will update the mortality tables used to calculate lump sums to reflect the final tables published by the SOA. Since the current mortality tables have been published for plan years through 2016, updated tables will not be effective before 2017. For results for fiscal year-end 2015, we reflected the current IRS tables through 2016 and the new SOA tables with generational improvements for lump sum payments projected to begin in 2017 and later.

The Retirement Plan's asset allocation percentages consisted of:

	December 31,	
	2015	2014
Equity	56%	62%
Debt securities	24	18
Other	20	20
	100%	100%

The guidelines regarding allocation of assets are formalized in the Investment Policy Statement adopted by the Investment Committee for the Retirement Plan. The objective of the investment program is to enhance the portfolio of the Retirement Plan through total return (capital appreciation and income), thereby promoting the ongoing ability of the plan to meet future liabilities and obligations, while minimizing the need for additional contributions. The guidelines specify an allocation weighting of 30% to 60% for return seeking investments (target of 40%), 10% to 30% for risk mitigating investments (target of 15%), 0% to 25% for diversifying investments (target of 17%) and 18% to 38% for dynamic asset allocation (target of 28%). Investments in mutual funds, hedge funds (and other alternative investments), and other commingled investment vehicles are permitted under the guidelines. Investments are permitted in overlay portfolios (regulated mutual funds) to complement the long-term strategic asset allocation. This portfolio overlay strategy is designed to manage short-term portfolio risk and mitigate the effect of extreme outcomes by varying the asset allocation of a portfolio through investment in the overlay portfolios.

See Note 9, Fair Value for a description of how we measure the fair value of our plan assets.

The valuation of our Retirement Plan assets by pricing observability levels as of December 31, 2015 and 2014 was as follows (in thousands):

	Level 1	Level 2	Level 3	Total
December 31, 2015:				
Cash	$ 445	$ —	$ —	$ 445
Hedge fund	—	9,129	—	9,129
Fixed income mutual funds	21,555	—	—	21,555
Equity mutual fund	21,660	—	—	21,660
Equity securities	23,529	—	—	23,529
Equity private investment trusts	—	9,974	—	9,974
Total assets measured at fair value	**$ 67,189**	**$ 19,103**	**$ —**	**$ 86,292**
December 31, 2014:				
Cash	$ 715	$ —	$ —	$ 715
Hedge fund	—	9,249	—	9,249
Fixed income mutual funds	22,040	—	—	22,040
Equity mutual fund	23,220	—	—	23,220
Equity securities	25,163	—	—	25,163
Equity private investment trusts	—	9,933	—	9,933
Total assets measured at fair value	**$ 71,138**	**$ 19,182**	**$ —**	**$ 90,320**

The Retirement Plan's investments include the following:

- two fixed income mutual funds, each of which seeks to generate income consistent with preservation of capital. One mutual fund invests in a portfolio of fixed income securities of U.S. and non-U.S. companies and U.S. and non-U.S. government securities and supranational entities, including lower-rated securities, while the second fund invests in a broad range of fixed income securities in both developed and emerging markets with a range of maturities from short- to long-duration;

- separate equity and fixed income mutual funds, which seek to moderate the volatility of equity and fixed income oriented asset allocation over the long term, as part of an investor's overall asset allocation managed by AB;
- a multi-style, multi-cap integrated portfolio adding incremental U.S. equity diversification to its value and growth equity selections, designed to deliver a long-term premium to the S&P 500 with greater consistency across a range of market environments;
- two equity private investment trusts, one of which invests primarily in equity securities of non-U.S. companies located in emerging market countries, and the other of which invests in equity securities of established non-U.S. companies located in the countries comprising the MSCI EAFE Index, plus Canada; and
- a hedge fund that seeks to provide attractive risk-adjusted returns over full market cycles with less volatility than the broad equity markets by allocating all or substantially all of its assets among portfolio managers through portfolio funds that employ a broad range of investment strategies.

17. Long-term Incentive Compensation Plans

We maintain an unfunded, non-qualified incentive compensation program known as the AllianceBernstein Incentive Compensation Award Program ("**Incentive Compensation Program**"), under which annual awards may be granted to eligible employees. *See Note 2, "Summary of Significant Accounting Policies – Long-Term Incentive Compensation Plans"* for a discussion of the award provisions.

Under the Incentive Compensation Program, we made awards in 2015, 2014 and 2013 aggregating $178.8 million, $176.5 million and $157.7 million, respectively. The amounts charged to employee compensation and benefits for the years ended December 31, 2015, 2014 and 2013 were $171.7 million, $173.2 million and $162.3 million, respectively.

Effective as of July 1, 2010, we established the AllianceBernstein 2010 Long Term Incentive Plan, as amended ("**2010 Plan**"), which was adopted by AB Holding Unitholders at a special meeting of AB Holding Unitholders held on June 30, 2010. Since the 2010 Plan was adopted, the following forms of awards have been available for grant to employees and Eligible Directors: (i) restricted AB Holding Units or phantom restricted AB Holding Units (a "phantom" award is a contractual right to receive AB Holding Units at a later date or upon a specified event); (ii) options to buy AB Holding Units; and (iii) other AB Holding Unit-based awards (including, without limitation, AB Holding Unit appreciation rights and performance awards). The purpose of the 2010 Plan is to promote the interest of AB by: (i) attracting and retaining talented officers, employees and directors, (ii) motivating such officers, employees and directors by means of performance-related incentives to achieve longer-range business and operational goals, (iii) enabling such officers, employees and directors to participate in the long-term growth and financial success of AB, and (iv) aligning the interests of such officers, employees and directors with those of AB Holding Unitholders. The 2010 Plan will expire on June 30, 2020, and no awards under the 2010 Plan will be made after that date. Under the 2010 Plan, the aggregate number of AB Holding Units with respect to which awards may be granted is 60 million, including no more than 30 million newly-issued AB Holding Units.

The 2010 Plan was amended by the Board in May 2011, expanding the universe of persons eligible to receive awards under the 2010 Plan to include any member of the Board who is a former executive or former employee of an affiliate of AB Holding. For purposes of this amendment, "**affiliate**" includes any company or other entity that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, AB.

The 2010 Plan was further amended by the Compensation Committee of the Board ("**Compensation Committee**") in December 2011, clarifying that, where duly authorized by the Compensation Committee or the Board, continued vesting of awards after a Termination (as those terms are defined in the 2010 Plan or the applicable award agreement) in circumstances where such continued vesting is conditioned on compliance with (A) one or more restrictive covenants, and/or (B) a standard of conduct regarding appropriate consideration of risk set forth in the applicable award agreement, shall count towards satisfying the minimum vesting requirement set forth in Section 6(b)(i) of the 2010 Plan.

The 2010 Plan was further amended by the Board in May 2012, when the Board authorized management to reacquire on the open market or otherwise all 60 million AB Holding Units available for awards under the 2010 Plan (less one AB Holding Unit for every newly-issued AB Holding Unit already awarded under the 2010 Plan), while maintaining the 30 million AB Holding Unit limitation on newly-issued AB Holding Units available for awards under the 2010 Plan.

As of December 31, 2015, 302,443 options to buy AB Holding Units had been granted and 47,158,745 AB Holding Units, net of forfeitures, were subject to other AB Holding Unit awards made under the 2010 Plan or an equity compensation plan with similar terms that expired in 2010. AB Holding Unit-based awards (including options) in respect of 12,538,812 AB Holding Units were available for grant as of December 31, 2015.

Options granted to employees generally are exercisable at a rate of 20% of the AB Holding Units subject to such options on each of the first five anniversary dates of the date of grant; options granted to Eligible Directors generally are exercisable at a rate of 33.3% of the AB Holding Units subject to such options on each of the first three anniversary dates of the date of grant. Restricted AB Holding Units awarded to our CEO pursuant to his employment agreements (*as described below under "Restricted AB Holding Unit Awards"*) vest ratably over his employment terms. Restricted AB Holding Units awarded under the Incentive Compensation Program vest 25% on December 1st of the subsequent four years.

Option Awards

Options to buy AB Holding Units (including grants to Eligible Directors) were granted as follows: 29,056 options were granted during 2015, 25,106 options were granted during 2014 and 37,690 options were granted during 2013. The weighted average fair value of options to buy AB Holding Units granted during 2015, 2014 and 2013 was $4.13, $4.78 and $5.44, respectively, on the date of grant, determined using the Black-Scholes option valuation model with the following assumptions:

	2015	2014	2013
Risk-free interest rate	1.5%	1.5%	0.8-1.7%
Expected cash distribution yield	7.1%	8.4%	8.0 - 8.3%
Historical volatility factor	32.1%	48.9%	49.7 - 49.8%
Expected term	6.0 years	6.0 years	6.0 years

Due to a lack of sufficient historical data, we have chosen to use the simplified method to calculate the expected term of options.

The activity in our option plan during 2015 is as follows:

	Options to Buy AB Holding Units	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2014	**5,942,411**	**$ 45.03**	**3.9**	
Granted	29,056	31.74		
Exercised	(541,073)	17.06		
Forfeited	(23,121)	83.95		
Expired	(8,802)	45.45		
Outstanding as of December 31, 2015	**5,398,471**	**47.59**	**2.9**	**$ —**
Exercisable as of December 31, 2015	**4,736,653**	**43.04**	**2.9**	**—**
Vested or expected to vest as of December 31, 2015	**5,398,471**	**47.59**	**2.9**	**—**

The aggregate intrinsic value as of December 31, 2015 of options outstanding, exercisable and expected to vest is negative, and is therefore presented as zero in the table above. The total intrinsic value of options exercised during 2015, 2014 and 2013 was $7.0 million, $9.1 million and $5.0 million, respectively.

Under the fair value method, compensation expense is measured at the grant date based on the estimated fair value of the options awarded (determined using the Black-Scholes option valuation model) and is recognized over the required service period. We recorded compensation expense (credit) relating to option grants of $0.1 million, $(0.3) million and $(3.8) million, respectively, for the years ended December 31, 2015, 2014 and 2013. As of December 31, 2015, there was no compensation cost related to unvested option grants not yet recognized in the consolidated statement of income.

Restricted AB Holding Unit Awards

In 2015, 2014 and 2013, the Board granted restricted AB Holding Unit awards to Eligible Directors. These AB Holding Units give the Eligible Directors, in most instances, all the rights of other AB Holding Unitholders subject to such restrictions on transfer as the Board may impose. We awarded 26,468, 31,320 and 28,693 restricted AB Holding Units, respectively, in 2015, 2014 and 2013 with grant date fair values per restricted AB Holding Unit of $31.74 in 2015, $22.99 in 2014 and $26.44 and $20.12 in 2013 (representing annual awards in May 2013 and special awards in September 2013 to two Eligible Directors who joined the Board in July 2013). All of the restricted AB Holding Units vest on the third anniversary of grant date or immediately if a director leaves the Board for any reason other than “cause”, as defined in the applicable award agreement. We fully expensed these awards on each grant date. We recorded compensation expense relating to these awards of $0.8 million, $0.7 million and $0.7 million, respectively, for the years ended December 31, 2015, 2014 and 2013.

In connection with the commencement of Mr. Kraus’s employment as our Chief Executive Officer ("**CEO")** on December 19, 2008, he was granted 2.7 million restricted AB Holding Units with a grant date fair value per Unit of $19.20. Mr. Kraus’s restricted AB Holding Units vested ratably on each of the first five anniversaries of December 19, 2008, commencing December 19, 2009, subject to his continued employment by AB on the vesting dates. During June 2012, Mr. Kraus entered into an agreement (“**Kraus Employment Agreement**”) pursuant to which Mr. Kraus continues to serve as our CEO. The Kraus Employment Agreement commenced on January 3, 2014 and terminates on January 2, 2019 (“**Employment Term**”), unless it is terminated earlier in accordance with its terms. In connection with the signing of the Kraus Employment Agreement, Mr. Kraus was granted 2.7 million restricted AB Holding Units, vesting ratably over the Employment Term. Under US GAAP, the compensation expense for the AB Holding Unit award under the Kraus Employment Agreement of $33.1 million (based on the $12.17 grant date AB Holding Unit price) must be amortized on a straight-line basis over 6.5 years, beginning on the grant date. As a result, although Mr. Kraus did not receive any incremental cash compensation or cash distributions related to the restricted AB Holding Unit award pursuant to the Kraus Employment Agreement prior to the commencement of the Employment Term, we incurred $2.5 million of incremental compensation expense during the second half of 2012 and $5.1 million of such expense during 2013. We recorded compensation expense relating to the CEO restricted AB Holding Unit grants of $5.1 million, $5.1 million and $15.5 million, respectively, for the years ended December 31, 2015, 2014 and 2013.

In 1993, we established the Century Club Plan, under which employees of AB whose primary responsibilities are to assist in the distribution of company-sponsored mutual funds and who meet certain sales targets, are eligible to receive an award of restricted AB Holding Units. Awards granted prior to December 2010 vested ratably over three years and subsequent awards vest ratably over four years. The service requirement for Century Club participants was affected in the same manner as other long-term incentive compensation awards by the amendment to the employee long-term incentive compensation award program in December 2011. The 2014 awards were deferred until 2015. We awarded 38,000 AB Holding Units in 2015 and 55,000 AB Holding Units in 2013. The grant date fair values per AB Holding Unit of these awards were $23.02 in 2015 and $21.67 in 2013. We recorded compensation expense (credit) relating to the Century Club Plan grants of $0.8 million, $(0.1) million and $1.1 million, respectively, for the years ended December 31, 2015, 2014 and 2013. Management has decided not to grant new awards under the Century Club Plan after December 2015.

Since 2009, we have awarded restricted AB Holding Units under the Incentive Compensation Program. We awarded 7.2 million restricted AB Holding Units in 2015 (which included 7.0 million restricted AB Holding Units in December for the 2015 year-end awards and 0.2 million additional restricted AB Holding Units granted during the year relating to the 2014 year-end awards), 6.8 million restricted AB Holding Units in 2014 (which included 6.6 million restricted AB Holding Units in December for the 2014 year-end awards and 0.2 million additional restricted AB Holding Units granted during the year relating to the 2013 year-end awards) and 13.2 million restricted AB Holding Units in 2013 (which included 6.5 million restricted AB Holding Units granted in January 2013 for 2012 year-end awards, 0.2 million additional restricted AB Holding Units granted in the second quarter of 2013 relating to the 2012 year-end awards and 6.5 million restricted AB Holding Units in December 2013 for the 2013 year-end awards) with grant date fair values per restricted AB Holding Unit of $23.02 and $24.24 in 2015, $21.67 and $24.24 in 2014 and ranging between $19.80 and $25.30 in 2013.

We also award restricted AB Holding Units in connection with certain employment and separation agreements with vesting schedules ranging between two and five years. The fair value of the restricted AB Holding Units is amortized over the required service period as employee compensation expense. We awarded 0.2 million, 0.7 million and 0.6 million restricted AB Holding Units in 2015, 2014 and 2013, respectively, with grant date fair values per restricted AB Holding Unit ranging between $25.36 and $32.71 in 2015, $21.07 and $27.40 in 2014 and $12.13 and $24.15 in 2013. We recorded compensation expense relating to restricted AB Holding Unit grants in connection with certain employment and separation agreements of $9.9 million, $13.2 million and $19.0 million, respectively, for the years ended December 31, 2015, 2014 and 2013.

Changes in unvested restricted AB Holding Units during 2015 are as follows:

	AB Holding Units	Weighted Average Grant Date Fair Value per AB Holding Unit
Unvested as of December 31, 2014	**20,661,359**	**$ 20.63**
Granted	7,428,103	23.26
Vested	(8,010,453)	19.52
Forfeited	(299,195)	21.48
Unvested as of December 31, 2015	**19,779,814**	**22.05**

The total grant date fair value of restricted AB Holding Units that vested during 2015, 2014 and 2013 was $156.4 million, $170.9 million and $197.3 million, respectively. As of December 31, 2015, the 19,779,814 unvested restricted AB Holding Units consist of 16,976,688 restricted AB Holding Units that do not have a service requirement and have been fully expensed on the grant date and 2,803,126 restricted AB Holding Units that have a service requirement and will be expensed over the required service period. As of December 31, 2015, there was $35.6 million of compensation expense related to unvested restricted AB Holding Unit awards granted and not yet recognized in the consolidated statement of income. We expect to recognize the expense over a weighted average period of 3.2 years.

18. Units Outstanding

Changes in AB Units outstanding for the years ended December 31, 2015 and 2014 were as follows:

	2015	2014
Outstanding as of January 1,	**273,040,452**	**268,373,419**
Options exercised	541,073	1,110,070
Units issued	4,600,583	4,193,445
Units retired	(5,880,281)	(636,482)
Outstanding as of December 31,	**272,301,827**	**273,040,452**

During 2015 and 2014, we purchased 26,111 and 61,472 AB Units, respectively, in private transactions and retired them.

19. Income Taxes

AB is a private partnership for federal income tax purposes and, accordingly, is not subject to federal or state corporate income taxes. However, AB is subject to a 4.0% New York City unincorporated business tax ("**UBT**"). Domestic corporate subsidiaries of AB, which are subject to federal, state and local income taxes, generally are included in the filing of a consolidated federal income tax return with separate state and local income tax returns being filed. Foreign corporate subsidiaries are generally subject to taxes in the jurisdictions where they are located.

In order to preserve AB's status as a private partnership for federal income tax purposes, AB Units must not be considered publicly traded. The AB Partnership Agreement provides that all transfers of AB Units must be approved by AXA Equitable Life Insurance Company (a subsidiary of AXA, "**AXA Equitable**") and the General Partner; AXA Equitable and the General Partner approve only those transfers permitted pursuant to one or more of the safe harbors contained in relevant treasury regulations. If AB Units were considered readily tradable, AB's net income would be subject to federal and state corporate income tax, significantly reducing its quarterly distribution to AB Holding. Furthermore, should AB enter into a substantial new line of business, AB Holding, by virtue of its ownership of AB, would lose its status as a "grandfathered" publicly-traded partnership and would become subject to corporate income tax, which would reduce materially AB Holding's net income and its quarterly distributions to AB Holding Unitholders.

Earnings before income taxes and income tax expense consist of:

	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
Earnings before income taxes:			
United States	$ 520,282	$ 493,311	$ 471,813
Foreign	110,817	115,310	92,438
Total	**$ 631,099**	**$ 608,621**	**$ 564,251**
Income tax expense:			
Partnership UBT	$ 6,855	$ 9,356	$ 4,403
Corporate subsidiaries:			
Federal	2,576	6,321	7,032
State and local	539	1,326	2,318
Foreign	26,822	31,625	26,139
Current tax expense	36,792	48,628	39,892
Deferred tax (benefit)	1,330	(10,846)	(3,063)
Income tax expense	**$ 38,122**	**$ 37,782**	**$ 36,829**

The principal reasons for the difference between the effective tax rates and the UBT statutory tax rate of 4.0% are as follows:

	Years Ended December 31,					
	2015		2014		2013	
	(in thousands)					
UBT statutory rate	$ 25,244	4.0 %	$ 24,345	4.0 %	$ 22,570	4.0 %
Corporate subsidiaries' federal, state, local and foreign income taxes	25,720	4.1	24,516	4.0	27,766	4.9
Effect of ASC 740 adjustments, miscellaneous taxes, and other	2,643	0.4	2,586	0.4	(687)	(0.1)
Income not taxable resulting from use of UBT business apportionment factors	(15,485)	(2.5)	(13,665)	(2.2)	(12,820)	(2.3)
Income tax expense and effective tax rate	**$ 38,122**	**6.0**	**$ 37,782**	**6.2**	**$ 36,829**	**6.5**

We recognize the effects of a tax position in the financial statements only if, as of the reporting date, it is "more likely than not" to be sustained based solely on its technical merits. In making this assessment, we assume that the taxing authority will examine the tax position and have full knowledge of all relevant information.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
Balance as of beginning of period	**$ 11,311**	**$ 2,975**	**$ 3,672**
Additions for prior year tax positions	—	2,838	—
Reductions for prior year tax positions	—	—	(580)
Additions for current year tax positions	693	5,498	706
Reductions for current year tax positions	—	—	—
Reductions related to closed years/settlements with tax authorities	—	—	(823)
Balance as of end of period	**$ 12,004**	**$ 11,311**	**$ 2,975**

The amount of unrecognized tax benefits as of December 31, 2015, 2014 and 2013, when recognized, is recorded as a reduction to income tax expense and reduces the company's effective tax rate.

Interest and penalties, if any, relating to tax positions are recorded in income tax expense on the consolidated statements of income. The total amount of interest expense (credit) recorded in income tax expense during 2015, 2014 and 2013 was $0.4 million, $0.4 million and $0.1 million, respectively. The total amount of accrued interest payable recorded on the consolidated statements of financial condition as of December 31, 2015, 2014 and 2013 were $1.0 million, $0.6 million and $0.2 million, respectively. There were no accrued penalties as of December 31, 2015, 2014 or 2013.

Generally, the company is no longer subject to U.S. federal, state or local income tax examinations by tax authorities for any year prior to 2012, except as set forth below.

During the third quarter of 2014, the City of New York notified us of an examination of AB's UBT returns for the years 2010 and 2011. The examination is ongoing.

Currently, there are no income tax examinations at our significant non-U.S. subsidiaries. Years that remain open and may be subject to examination vary under local law, and range from one to seven years.

At December 31, 2015, it is reasonably possible that $5.5 million of our unrecognized tax benefits will change within the next twelve months due to completion of tax authority exams.

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The tax effect of significant items comprising the net deferred tax asset (liability) is as follows:

	December 31,	
	2015	**2014**
	(in thousands)	
Deferred tax asset:		
Differences between book and tax basis:		
Benefits from net operating loss carryforwards	$ 18,887	$ 23,539
Long-term incentive compensation plans	17,092	18,694
Other, primarily accrued expenses deductible when paid	18,490	19,737
	54,469	61,970
Less: valuation allowance	(13,709)	(13,927)
Deferred tax asset	40,760	48,043
Deferred tax liability:		
Differences between book and tax basis:		
Intangible assets	6,520	6,874
Investment in foreign subsidiaries	8,220	8,725
Other	766	1,900
Deferred tax liability	15,506	17,499
Net deferred tax asset	**$ 25,254**	**$ 30,544**

Valuation allowances of $13.7 million and $13.9 million were established as of December 31, 2015 and 2014, respectively, primarily due to the uncertainty of realizing certain net operating loss ("**NOL**") carryforwards given the future losses expected to be incurred by the applicable subsidiaries. We had NOL carryforwards at December 31, 2015 of approximately $80.9 million in certain foreign locations with an indefinite expiration period and $135.7 million in certain domestic locations with expiration periods between 15 and 20 years. As of December 31, 2014, we had NOL carryforwards of approximately $86.9 million in certain foreign locations with an indefinite expiration period and $135.7 million in certain domestic locations with expiration periods between 15 and 20 years.

The deferred tax asset is included in other assets. Management has determined that realization of the net deferred tax asset is more likely than not based on anticipated future taxable income.

We provide income taxes on the undistributed earnings of non-U.S. corporate subsidiaries except to the extent that such earnings are permanently invested outside the United States. As of December 31, 2015, $892.0 million of accumulated undistributed earnings of non-U.S. corporate subsidiaries were permanently invested outside the U.S. At existing applicable income tax rates, additional taxes of approximately $74.8 million, net of foreign tax credits, would need to be provided if such earnings were remitted.

20. Business Segment Information

Management has assessed the requirements of ASC 280, *Segment Reporting*, and determined that, because we utilize a consolidated approach to assess performance and allocate resources, we have only one operating segment. Enterprise-wide disclosures as of and for the years ended December 31, 2015, 2014 and 2013, were as follows:

Services

Net revenues derived from our investment management, research and related services were as follows:

	Years Ended December 31,		
	2015	**2014**	**2013**
	(in thousands)		
Institutions	$ 435,205	$ 434,081	$ 438,946
Retail	1,362,541	1,397,135	1,376,370
Private Wealth Management	689,853	664,324	591,358
Bernstein Research Services	493,463	482,538	445,083
Other	42,986	29,714	66,214
Total revenues	3,024,048	3,007,792	2,917,971
Less: Interest expense	3,321	2,426	2,924
Net revenues	**$ 3,020,727**	**$ 3,005,366**	**$ 2,915,047**

Our AllianceBernstein Global High Yield Portfolio, an open-end fund incorporated in Luxembourg (ACATEUH: LX), generated approximately 11%, 12% and 14% of our investment advisory and service fees and 12%, 13% and 14% of our net revenues during 2015, 2014 and 2013, respectively.

Geographic Information

Net revenues and long-lived assets, related to our U.S. and international operations, as of and for the years ended December 31, were as follows:

	2015	**2014**	**2013**
	(in thousands)		
Net revenues:			
United States	$ 1,829,518	$ 1,779,422	$ 1,722,640
International	1,191,209	1,225,944	1,192,407
Total	**$ 3,020,727**	**$ 3,005,366**	**$ 2,915,047**
Long-lived assets:			
United States	$ 3,410,491	$ 3,454,301	
International	39,456	41,159	
Total	**$ 3,449,947**	**$ 3,495,460**	

Major Customers

Company-sponsored mutual funds are distributed to individual investors through broker-dealers, insurance sales representatives, banks, registered investment advisers, financial planners and other financial intermediaries. Certain subsidiaries of AXA, including AXA Advisors, LLC, have entered into selected dealer agreements with AllianceBernstein Investments and have been responsible for 4%, 3% and 2% of our open-end mutual fund sales in 2015, 2014 and 2013, respectively. UBS AG was responsible for approximately 8%, 11% and 12% of our open-end mutual fund sales in 2015, 2014 and 2013, respectively. Neither AXA nor UBS AG is under any obligation to sell a specific amount of AB Fund shares and each also sells shares of mutual funds that it sponsors and that are sponsored by unaffiliated organizations.

AXA and the general and separate accounts of AXA Equitable (including investments by the separate accounts of AXA Equitable in the funding vehicle EQ Advisors Trust) accounted for approximately 5% of our total revenues for each of the years ended December 31, 2015, 2014 and 2013. No single institutional client other than AXA and its subsidiaries accounted for more than 1% of our total revenues for the years ended December 31, 2015, 2014 and 2013.

21. Related Party Transactions

Mutual Funds

We provide investment management, distribution, shareholder, administrative and brokerage services to individual investors by means of retail mutual funds sponsored by our company, our subsidiaries and our affiliated joint venture companies. We provide substantially all of these services under contracts that specify the services to be provided and the fees to be charged. The contracts are subject to annual review and approval by each mutual fund's board of directors or trustees and, in certain circumstances, by the mutual fund's shareholders. Revenues for services provided or related to the mutual funds are as follows:

	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
Investment advisory and services fees	$ 1,056,227	$ 1,061,677	$ 1,009,901
Distribution revenues	415,380	433,063	455,327
Shareholder servicing fees	85,207	91,020	90,718
Other revenues	4,939	6,694	5,682
Bernstein Research Services	4	13	113

Also, we have receivables from AB mutual funds recorded in our consolidated statements of financial condition of $160.7 million and $174.1 million as of December 31, 2015 and 2014, respectively.

AXA and its Subsidiaries

We provide investment management and certain administration services to AXA and its subsidiaries. In addition, AXA and its subsidiaries distribute company-sponsored mutual funds, for which they receive commissions and distribution payments. Sales of company-sponsored mutual funds through AXA and its subsidiaries aggregated approximately $1.1 billion, $1.1 billion and $0.7 billion for the years ended December 31, 2015, 2014 and 2013, respectively. Also, we are covered by various insurance policies maintained by AXA and its subsidiaries and we pay fees for technology and other services provided by AXA and its subsidiaries. Aggregate amounts included in the consolidated financial statements for transactions with AXA and its subsidiaries, as of and for the years ended December 31, are as follows:

	2015	2014	2013
	(in thousands)		
Revenues:			
Investment advisory and services fees	$ 149,035	$ 131,317	$ 129,937
Bernstein Research Services	694	958	1,152
Distribution revenues	11,541	11,590	9,823
Other revenues	887	1,041	815
	$ 162,157	**$ 144,906**	**$ 141,727**
Expenses:			
Commissions and distribution payments to financial intermediaries	$ 16,140	$ 16,255	$ 13,338
General and administrative	17,680	20,176	18,311
Other	1,483	1,457	1,425
	$ 35,303	**$ 37,888**	**$ 33,074**
Balance Sheet:			
Institutional investment advisory and services fees receivable	$ 12,622	$ 9,681	
Prepaid expenses	1,431	1,483	
Other due to AXA and its subsidiaries	(6,231)	(5,510)	
	$ 7,822	**$ 5,654**	

AllianceBernstein Venture Fund I, L.P. was launched during 2006. It seeks to achieve its investment objective, which is long-term capital appreciation through equity and equity-related investments, by acquiring early-stage growth companies in private

transactions. One of our subsidiaries is the general partner of the fund and, as a result, the fund is included in our consolidated financial statements, with approximately $23.9 million and $32.6 million of investments in the consolidated statements of financial condition as of December 31, 2015 and 2014, respectively. AXA Equitable holds a 10% limited partnership interest in this fund.

We maintain an unfunded, non-qualified long-term incentive compensation plan known as the Capital Accumulation Plan and also have assumed obligations under contractual unfunded long-term incentive compensation arrangements covering certain former executives ("**Contractual Arrangements**"). The Capital Accumulation Plan was frozen on December 31, 1987, since which date no additional awards have been made. The Board may terminate the Capital Accumulation Plan at any time without cause, in which case our liability would be limited to benefits that have vested. Payment of vested benefits under both the Capital Accumulation Plan and the Contractual Arrangements generally will be made over a ten-year period commencing at retirement age. The General Partner is obligated to make capital contributions to AB in amounts equal to benefits paid under the Capital Accumulation Plan and the Contractual Arrangements. Amounts paid by the General Partner to AB for the Capital Accumulation Plan and the Contractual Arrangements for the years ended December 31, 2015, 2014 and 2013 were $1.6 million, $2.3 million and $3.4 million, respectively.

Other Related Parties

The consolidated statements of financial condition include a net receivable from AB Holding as a result of cash transactions for fees and expense reimbursements. The net receivable balance included in the consolidated statements of financial condition as of December 31, 2015 and 2014 was $12.1 million and $12.6 million, respectively.

22. Acquisitions

Acquisitions are accounted for under ASC 805, *Business Combinations*.

On June 20, 2014, we acquired an 81.7% ownership interest in CPH Capital Fondsmaeglerselskab A/S ("**CPH**"), a Danish asset management firm that managed approximately $3 billion in global core equity assets for institutional investors, for a cash payment of $64.4 million and a contingent consideration payable of $9.4 million. The excess of the purchase price over the fair value of identifiable assets acquired resulted in the recognition of $58.1 million of goodwill. We recorded $24.1 million of definite-lived intangible assets relating to separately-managed account relationships and $3.5 million of indefinite-lived intangible assets relating to an acquired fund's investment contract. We also recorded redeemable non-controlling interests of $16.5 million relating to the fair value of the portion of CPH we do not own. During 2015, we purchased additional shares of CPH, bringing our ownership interest to 85.4% as of December 31, 2015.

On December 12, 2013, we acquired W.P. Stewart & Co., Ltd. ("**WPS**"), an equity investment manager that managed approximately $2.1 billion in U.S., Global and EAFE concentrated growth equity strategies for its clients, primarily in the U.S. and Europe. On the acquisition date, we made a cash payment of $12 per share for the approximate 4.9 million WPS shares outstanding and issued to WPS shareholders transferable contingent value rights ("**CVRs**"), entitling the holders to an additional $4 per share if the assets under management in the acquired WPS investment services exceed $5 billion on or before the third anniversary of the acquisition date. The excess of the purchase price over the fair value of identifiable assets acquired resulted in the recognition of $32.4 million of goodwill. We also recorded $7.5 million of indefinite-lived intangible assets relating to the acquired fund's investment contracts and $14.0 million of definite-lived intangible assets relating to separately-managed account relationships. As of the acquisition date, we recorded a contingent consideration payable of $17.1 million in regard to the CVRs.

The 2014 and 2013 acquisitions have not had a significant impact on 2015 or 2014 revenues and earnings. As a result, we have not provided supplemental pro forma information.

23. Subsequent Event

On February 3, 2016, Cisco Systems, Inc. announced its agreement to acquire Jasper Technologies, Inc. ("**Jasper**"), a company in which we own a 7.6% equity interest. Jasper management has informed us that, based on this interest, we should expect to receive approximately $85 million in cash, subject to final transaction costs and working capital adjustments. We expect to receive approximately $77 million at the close of the transaction and the remaining $8 million after this amount is retained in escrow for 18 months. We anticipate that this transaction, which is subject to customary closing conditions, will close during the third quarter of 2016. As of December 31, 2015, our investment in Jasper is recorded on our consolidated statement of financial condition (under the cost basis of accounting) at $10.2 million.

24. Quarterly Financial Data (Unaudited)

	Quarters Ended 2015			
	December 31	September 30	June 30	March 31
	(in thousands, except per unit amounts)			
Net revenues	$ 726,726	$ 738,693	$ 792,737	$ 762,571
Net income attributable to AB Unitholders	$ 161,063	$ 134,976	$ 149,094	$ 141,469
Basic net income per AB Unit[(1)]	$ 0.59	$ 0.49	$ 0.54	$ 0.51
Diluted net income per AB Unit[(1)]	$ 0.59	$ 0.49	$ 0.54	$ 0.51
Cash distributions per AB Unit[(2)(3)]	$ 0.56	$ 0.50	$ 0.54	$ 0.51

	Quarters Ended 2014			
	December 31	September 30	June 30	March 31
	(in thousands, except per unit amounts)			
Net revenues	$ 787,352	$ 749,748	$ 753,648	$ 714,618
Net income attributable to AB Unitholders	$ 177,425	$ 139,798	$ 136,435	$ 116,725
Basic net income per AB Unit[(1)]	$ 0.65	$ 0.51	$ 0.50	$ 0.43
Diluted net income per AB Unit[(1)]	$ 0.65	$ 0.51	$ 0.50	$ 0.43
Cash distributions per AB Unit[(2)(3)]	$ 0.63	$ 0.51	$ 0.50	$ 0.44

(1) Basic and diluted net income per unit are computed independently for each of the periods presented. Accordingly, the sum of the quarterly net income per unit amounts may not agree to the total for the year.
(2) Declared and paid during the following quarter.
(3) Cash distributions reflect the impact of our non-GAAP adjustments.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

We did not have any changes in or disagreements with accountants in respect of accounting or financial disclosure.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Each of AB Holding and AB maintains a system of disclosure controls and procedures that is designed to ensure that information required to be disclosed in our reports under the Exchange Act is (i) recorded, processed, summarized and reported in a timely manner, and (ii) accumulated and communicated to management, including the Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**"), to permit timely decisions regarding our disclosure.

As of the end of the period covered by this report, management carried out an evaluation, under the supervision and with the participation of the CEO and the CFO, of the effectiveness of the design and operation of disclosure controls and procedures. Based on this evaluation, the CEO and the CFO concluded that the disclosure controls and procedures are effective.

Management's Report on Internal Control Over Financial Reporting

Management acknowledges its responsibility for establishing and maintaining adequate internal control over financial reporting for each of AB Holding and AB.

Internal control over financial reporting is a process designed by, or under the supervision of, a company's CEO and CFO, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America ("**US GAAP**") and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with US GAAP and receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those internal control systems determined to be effective can provide only reasonable assurance with respect to the reliability of financial statement preparation and presentation. Because of these inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness of internal control to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of AB Holding's and AB's internal control over financial reporting as of December 31, 2015. In making its assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control-Integrated Framework (2013)* ("**COSO criteria**").

Based on its assessment, management concluded that, as of December 31, 2015, each of AB Holding and AB maintained effective internal control over financial reporting based on the COSO criteria.

PricewaterhouseCoopers LLP, the independent registered public accounting firm that audited the 2015 financial statements included in this Form 10-K, has issued an attestation report on the effectiveness of each of AB Holding's and AB's internal control over financial reporting as of December 31, 2015. The report pertaining to AB can be found *in Item 8*. The report pertaining to AB Holding can be found *in Item 8* of AB Holding's Form 10-K for the year ended December 31, 2015.

Changes in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting occurred during the fourth quarter of 2015 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

We reported all information required to be disclosed on Form 8-K during the fourth quarter of 2015.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

We use "**Internet Site**" in Items 10 and 11 to refer to our company's internet site, *www.abglobal.com*.

To contact our company's Corporate Secretary, you may send an email to *corporate_secretary@abglobal.com* or write to Corporate Secretary, AllianceBernstein L.P., 1345 Avenue of the Americas, New York, New York 10105.

General Partner

The Partnerships' activities are managed and controlled by the General Partner. The Board of the General Partner acts as the Board of each of the Partnerships. Neither AB Unitholders nor AB Holding Unitholders have any rights to manage or control the Partnerships or to elect directors of the General Partner. The General Partner is a subsidiary of AXA.

The General Partner does not receive any compensation from the Partnerships for services rendered to them as their general partner. The General Partner holds a 1% general partnership interest in AB and 100,000 units of general partnership interest in AB Holding. Each general partnership unit in AB Holding is entitled to receive distributions equal to those received by each AB Holding Unit.

The General Partner is entitled to reimbursement by AB for any expenses it incurs in carrying out its activities as general partner of the Partnerships, including compensation paid by the General Partner to its directors and officers (to the extent such persons are not compensated directly by AB).

Board of Directors

Our Board currently consists of 12 members, including our CEO, three senior executives of AXA and certain of its subsidiaries, and eight independent directors. While we do not have a formal, written diversity policy in place, we believe that an effective board consists of a diverse group of individuals who collectively possess a variety of complementary skills and perspectives and who will work together to provide a board with the needed leadership and experience to successfully guide our company. As set forth in its charter, the Corporate Governance Committee of the Board ("**Governance Committee**") assists the Board in identifying and evaluating such candidates, determining Board composition, developing and monitoring a process to assess Board effectiveness, developing and implementing corporate governance guidelines, and reviewing programs relating to matters of corporate responsibility.

As we indicate below, our directors have a combined wealth of leadership experience derived from extensive service leading large, complex organizations in their roles as either senior executives or board members and in government. Each has the integrity, business judgment, collegiality and commitment that are among the essential characteristics for a member of our Board. Collectively, they have substantive knowledge and skills applicable to our business, including expertise in areas such as regulation; public accounting and financial reporting; finance; risk management; business development; operations; technology; strategic planning; management development, succession planning and compensation; corporate governance; public policy; and international matters.

As of February 11, 2016, our directors are as follows:

Peter S. Kraus
Mr. Kraus, age 63, was elected Chairman of the Board and CEO in December 2008. Mr. Kraus has in-depth experience in financial services, including investment banking, asset management and private wealth management. From September 2008 through December 2008, he served as an executive vice president, the head of global strategy and a member of the Management Committee of Merrill Lynch & Company Inc. ("**Merrill Lynch**"). Prior to joining Merrill Lynch, Mr. Kraus spent 22 years with Goldman Sachs Group Inc. ("**Goldman Sachs**"), where he most recently served as co-head of the Investment Management Division and a member of the Management Committee, as well as head of firm-wide strategy and chairman of the Strategy Committee. Mr. Kraus also served as a co-head of the Financial Institutions Group. He was named a partner at Goldman Sachs in 1994 and managing director in 1996.

In April 2010, Mr. Kraus was appointed a member of the Management Committee of AXA, which was formed by Henri de Castries, Chairman of the Board and Chief Executive Officer of AXA, in April 2010 to assist him with the operational management of AXA. He has been a Director of AXA Financial, AXA Equitable and MONY Life Insurance Company of America (a subsidiary of AXA Financial, "**MLOA**") since February 2009. He is not compensated for serving in these roles for AXA and its subsidiaries. Mr. Kraus is also Chairman of the Investment Committee of Trinity College, Chairman of the Board

of Overseers of the California Institute of the Arts, Co-Chair of the Friends of Carnegie International, a member of the Board of Directors of Lincoln Center for the Performing Arts and the Chairman of Lincoln Center's Art Committee, a member of the Board of Camp Keewaydin, and a member of the Board of Young Audiences, Inc., a non-profit organization that works with educational systems, the arts community and private and public sectors to provide arts education to children.

Mr. Kraus brings to the Board extensive knowledge of our industry and in-depth experience in financial services, including experience as our CEO for the past seven years and, previously, as co-head of the Investment Management Division and head of firm-wide strategy at Goldman Sachs.

Christopher M. Condron
Mr. Condron, age 68, was elected a Director of the General Partner in May 2001. Effective January 1, 2011, he retired as Director, CEO and President of AXA Financial, a post he had held since May 2001. Prior to retiring, he was also Chairman of the Board, CEO and President of AXA Equitable and a member of the Management Committee of AXA. During 2010, he assumed the additional responsibility of overseeing AXA's Global Life & Savings and Health businesses. Prior to joining AXA Financial, Mr. Condron served as both President and Chief Operating Officer ("**COO**") of Mellon Financial Corporation ("**Mellon**"), from 1999, and as Chairman and CEO of The Dreyfus Corporation, a subsidiary of Mellon, from 1995. Mr. Condron sits on the board of directors and the executive committee, and serves as chairman of the compensation committee, of The American Ireland Fund.

Mr. Condron brings to the Board extensive financial services, insurance and sales experience obtained throughout his career.

Denis Duverne
Mr. Duverne, age 62, was elected a Director of the General Partner in February 1996. In April 2010, he was appointed Deputy CEO of AXA and a member of the Board of Directors of AXA. In January 2010, he was selected to oversee AXA Group strategy, finance and operations with AXA's COO, CFO and Chief Risk Officer reporting to him. Mr. Duverne was a member of the AXA Management Board from February 2003 through the change in AXA's governance structure in April 2010. He was CFO of AXA from May 2003 through December 2009. From January 2000 to May 2003, Mr. Duverne served as Group Executive Vice President-Finance, Control and Strategy. Mr. Duverne joined AXA as Senior Vice President in 1995. He is a director of AXA Financial, AXA Equitable and various other privately-held subsidiaries and affiliates of the AXA Group.

Mr. Duverne brings to the Board the highly diverse experience he has attained from the many key roles he has served for AXA.

Steven G. Elliott
Mr. Elliott, age 69, was elected a Director of the General Partner in January 2011. Until his retirement in December 2010, Mr. Elliott had served as Senior Vice Chairman of The Bank of New York Mellon ("**BNY Mellon**") since 1998. In this role, he helped oversee numerous company-wide growth initiatives and co-headed the integration of The Bank of New York and Mellon from 2007 to 2009. Mr. Elliott was CFO of Mellon from 1990 to 2002 and Head of Finance from 1987 to 1990, while also leading some of Mellon's diverse lines of business, including asset servicing, securities lending, global cash management and institutional banking. Before joining Mellon, he held senior positions at First Commerce Corporation (1986-87), Crocker National Bank (1984-86), Continental Illinois National Bank (1977-84) and United California Bank (1974-77). Since January 2011, he has been a member of the boards of directors of Huntington Bancshares Inc. (NASDAQ: HBAN) and PPL Corporation (NYSE: PPL). Since April 2011, he has served as Chairman of Huntington Bancshares's risk oversight committee and, since January 2012, he has served as chairman of PPL Corporation's audit committee. Mr. Elliott served as a director of Mellon (NYSE: MEL) from 2001 to the July 2007 merger with The Bank of New York and then as a director of BNY Mellon (NYSE: BK) through July 2008.

Mr. Elliott, an audit committee financial expert, brings to the Board the vast auditing and banking expertise he has gained in the financial services industry.

Deborah S. Hechinger
Ms. Hechinger, age 65, was elected a Director of the General Partner in May 2007. Currently an independent consultant on non-profit governance, she was President and CEO of BoardSource, a leading governance resource for non-profit organizations, from 2003 to 2007. From 2004 to 2007, Ms. Hechinger also served as co-convener of the Governance and Fiduciary Responsibilities work group, one of the five groups established by the Panel on the Nonprofit Sector to make recommendations to Congress on ways to improve the governance and accountability of non-profit organizations. She also served on the Advisory Board for the Center for Effective Philanthropy and was a Member of the Ethics and Accountability Committee at Independent Sector, a leading coalition of non-profits, foundations and corporate giving programs committed to advancing the common good in America. Prior to joining BoardSource, Ms. Hechinger was the Executive Vice President of the World Wildlife Fund, a large, global conservation organization, where she oversaw all fundraising, communication and

operations activities. She also has served as a Deputy Comptroller and as Director of the Securities and Corporate Practices Division at the Office of the Comptroller of the Currency and has held senior executive positions in the Division of Enforcement at the SEC.

Ms. Hechinger brings to the Board the significant knowledge of corporate governance matters and public policy she has gained through her extensive experience in both the private and public sectors.

Weston M. Hicks
Mr. Hicks, age 59, was elected a Director of the General Partner in July 2005. He has been a director and the President and CEO of Alleghany Corporation (NYSE: Y, "**Alleghany**"), an insurance and diversified financial services holding company, since December 2004 and was Executive Vice President of Alleghany from October 2002 until December 2004. From March 2001 through October 2002, Mr. Hicks was Executive Vice President and CFO of The Chubb Corporation. Prior to joining Chubb, he was an equity research analyst with Bernstein Research Services. Also, Mr. Hicks recently joined the Investment Committee of The New York Community Trust ("**NYCT**"), a community foundation that manages a $2.5 billion endowment and annually grants more than $140 million to non-profit organizations.

Mr. Hicks brings to the Board extensive financial expertise, including his unique perspective as the chief executive of an unaffiliated publicly-traded company, his background as a professional investor and CFA charter holder, and his decade of experience as an equity research analyst.

Heidi S. Messer
Ms. Messer, age 46, was elected a Director of the General Partner in February 2015. Since 2007, she has served as Co-Founder and Chairman of Cross Commerce Media, host to Collective[i], a network built around proprietary technology designed to transform what is currently referred to as "Big Data" into insights and intelligence delivered by applications designed for sales and other business users. In addition, Ms. Messer has served as Co-Founder and CEO of World Evolved, a platform for global investment and expansion, and she also is one of the founding members of the Zokei Network, a global network that encourages innovation across art, science, business and technology. Ms. Messer serves on the board of Partnership Fund for New York City, the board and the Operating Committee of the Brown Entrepreneurship Program, and the advisory board of the Department of Physics and Astronomy at Johns Hopkins.

Prior to joining Collective[i], Ms. Messer co-founded LinkShare Corporation, host to one of the world's largest on-line affiliate networks representing many on-line publishers and merchants. She served as a board member and as President and COO of LinkShare Corporation until its sale to Rakuten, Inc. in 2005. A graduate of Harvard Law School, Ms. Messer has been a member in good standing of the New York Bar Association since 1997.

Ms. Messer brings to the Board extensive technology, investment and executive experience achieved through her roles in the formation and management of various technology companies.

Mark Pearson
Mr. Pearson, age 57, was elected a Director of the General Partner in February 2011. Also during February 2011, he succeeded Mr. Condron as Director, CEO and President of AXA Financial, and as Chairman and CEO of AXA Equitable. In September 2013, Mr. Pearson became President of AXA Equitable. In addition, he has been a member of the Management Committee of AXA since 2011 and the Executive Committee of AXA since 2008.

Mr. Pearson joined AXA in 1995 when AXA acquired National Mutual Funds Management Limited (presently AXA Asia Pacific Holdings Limited) and was appointed Regional Chief Executive of AXA Asia Life in 2001. In 2008, Mr. Pearson was named President and CEO of AXA Japan Holding Co., Ltd. ("**AXA Japan**"). Prior to joining AXA, Mr. Pearson spent approximately 20 years in the insurance sector, holding several senior management positions at National Mutual Holdings and Friends Provident.

Mr. Pearson brings to the Board the diverse financial services experience he has developed through his service as an executive, including as CEO, with AXA Financial, AXA Japan and other AXA affiliates.

Scott A. Schoen
Mr. Schoen, age 57, was elected a Director of the General Partner in July 2013. He has served as CEO of Baylon Capital Partners, L.P. ("**Baylon**"), a private family investment office, since April 2013. In addition, Mr. Schoen has served as a Senior Advisor to Thomas Lee Partners, L.P. ("**THL**"), a private equity firm, since 2012 and, prior thereto, held various senior management roles with THL, including Vice Chairman from 2010 to 2011, Co-President from 2003 to 2009 and Senior Managing Director from 1998 to 2003. Mr. Schoen began his career in the investment banking group at Goldman Sachs. He

serves as chairman of the board of trustees of Partners Continuing Care and Spaulding Rehabilitation Hospital, a member of the board of trustees of Partners Healthcare System, a member of the President's Council of Massachusetts General Hospital, and a director of Share Our Strength.

Mr. Schoen, an audit committee financial expert, brings to the Board extensive private equity and investment banking experience, as well as his executive experience as the CEO of Baylon.

Lorie A. Slutsky
Ms. Slutsky, age 63, was elected a Director of the General Partner in July 2002. Since January 1990, she has been President and CEO of NYCT. Ms. Slutsky recently resigned as Treasurer and a board member of Independent Sector and formerly co-chaired its National Panel on the Non-Profit Sector, which focused on reducing abuse and improving governance practices at non-profit organizations. She served on the Board of Directors of BoardSource from 1999 to 2008 and served as its Chair from 2005 to 2007. Ms. Slutsky served as Trustee and Chair of the Budget Committee of Colgate University from 1989 to 1997 and as a member of the Council on Foundations from 1989 to 1995, for which she also served as Chair from 1993 to 1995. She has been a Director of AXA Financial, AXA Equitable and MLOA since September 2006. In addition, Ms. Slutsky was a member of AXA Financial's Audit Committee from 2006 through 2010. She has been a member of AXA Financial's Organization and Compensation Committee since 2006 and was elected Chair of the Organization and Compensation Committee in February 2012.

Ms. Slutsky brings to the Board extensive corporate governance experience achieved through her executive and managerial roles at NYCT, BoardSource, Independent Sector and various other non-profit organizations. She also brings valuable insight gained from serving on boards and board committees at certain of our parent companies.

Christian Thimann
Mr. Thimann, age 49, was elected a Director of the General Partner in February 2014. In January 2014, he joined AXA as Group Head of Strategy, Sustainability and Public Affairs and as a member of AXA's Executive Committee. Prior to joining AXA, Mr. Thimann held several senior positions spanning 15 years with the European Central Bank, including, most recently, Director General and Adviser to the President from November 2008 until December 2013. From 1995 to 1998, he worked with the International Monetary Fund. Mr. Thimann is trustee of the Max-Planck-Institute for Tax Law and Public Finance and has published numerous articles on international finance, monetary economics and macroeconomics. He earned a PhD in economics in 1995.

Mr. Thimann brings to the Board his vast experience in public affairs and international finance.

Joshua A. Weinreich
Mr. Weinreich, age 55, was elected a Director of the General Partner in July 2013. A career finance executive, Mr. Weinreich retired in 2004 after 20 years with Bankers Trust/Deutsche Bank where he held numerous positions, including Global Head of Hedge Funds, CEO of Deutsche Asset Management, Americas, and Chief Investment Officer and Co-Head of Bankers Trust Private Bank. He plays key roles on several boards, which roles currently include Chairman of the Board of the Community FoodBank of New Jersey and Chairman of the Overlook Hospital Foundation Investment Committee. In addition, he is a director of Skybridge Capital Hedge Fund Portfolios and Houseparty Inc.

Mr. Weinreich brings to the Board the financial expertise and managerial skills he developed while working with Bankers Trust/Deutsche Bank and the philanthropic experiences he has cultivated since his retirement.

Executive Officers (other than Mr. Kraus)

Laurence E. Cranch, General Counsel
Mr. Cranch, age 69, has been our General Counsel since he joined our firm in 2004. Prior to joining AB, Mr. Cranch was a partner of Clifford Chance, an international law firm. Mr. Cranch joined Clifford Chance in 2000 when Rogers & Wells, a New York law firm of which he was Managing Partner, merged with Clifford Chance.

James A. Gingrich, COO
Mr. Gingrich, age 57, joined our firm in 1999 as a senior research analyst with Bernstein Research Services and has been our firm's COO since December 2011. Prior to becoming COO, Mr. Gingrich held senior managerial positions in Bernstein Research Services, including Chairman and CEO from February 2007 to November 2011 and Global Director of Research from December 2002 to January 2007.

Robert P. van Brugge, Chairman and CEO of Bernstein Research Services
Mr. van Brugge, age 47, has been Chairman of the Board and CEO of Bernstein Research Services since December 2011. Prior to becoming Chairman and CEO, Mr. van Brugge served as Global Director of Research from January 2008 to December 2011. He joined our firm in 2002 as a senior research analyst with Bernstein Research Services.

John C. Weisenseel, CFO
Mr. Weisenseel, age 56, joined our firm in May 2012 as Senior Vice President and CFO. From 2004 to April 2012, he worked at The McGraw Hill Companies ("**McGraw Hill**"), where he served initially as Senior Vice President and Corporate Treasurer and, since 2007, as CFO of the firm's Standard & Poor's subsidiary. Prior to joining McGraw Hill, Mr. Weisenseel was Vice President and Corporate Treasurer for Barnes & Noble, Inc. Prior to joining Barnes & Noble, he spent ten years in various derivatives trading and financial positions at Citigroup. A Certified Public Accountant, Mr. Weisenseel also worked at KPMG LLP.

Resignation of Directors and Changes in Executive Officers

The following changes to our directors and executive officers occurred since we filed our Form 10-K for the year ended December 31, 2014:

- On July 24, 2015, Henri de Castries, Chairman and CEO of AXA, resigned from the Board due to competing demands on his time pertaining to his other job-related responsibilities.
- Lori A. Massad, formerly AB's Head of Human Capital and Chief Talent Officer, has transitioned to a part-time role assisting Messrs. Kraus and Gingrich with discrete projects. As a result, Ms. Massad is no longer deemed an Executive Officer of the firm.

Board Meetings

In 2015, the Board held:

- regular meetings in February, April, May, July, September and November.

Generally, the Board holds six meetings annually: in February, April, May, July or August, September and November. In addition, the Board holds special meetings or takes action by unanimous written consent as circumstances warrant. The Board has standing Executive, Audit, Governance, Compensation and Special Committees, each of which *is described in further detail below*. Each member of the Board attended 75% or more of the aggregate of all Board and committee meetings that he or she was entitled to attend in 2015.

Committees of the Board

The Executive Committee of the Board ("**Executive Committee**") consists of Mses. Messer and Slutsky and Messrs. Condron, Duverne, Kraus (Chair) and Elliott.

The Executive Committee exercises all of the powers and authority of the Board (with limited exceptions) when the Board is not in session, or when it is impractical to assemble the full Board. The Executive Committee held three meetings in 2015.

The Governance Committee consists of Mses. Hechinger (Chair) and Slutsky and Messrs. Condron, Duverne and Kraus. The Governance Committee:

- assists the Board and the sole stockholder of the General Partner in:
  - identifying and evaluating qualified individuals to become Board members; and
  - determining the composition of the Board and its committees, and
- assists the Board in:
  - developing and monitoring a process to assess Board effectiveness;
  - developing and implementing our Corporate Governance Guidelines; and
  - reviewing our policies and programs that relate to matters of corporate responsibility of the General Partner and the Partnerships.

The Governance Committee held two meetings in 2015.

The Audit Committee of the Board ("**Audit Committee**") consists of Messrs. Elliott (Chair), Hicks, Schoen and Weinreich. The primary purposes of the Audit Committee are to:

- assist the Board in its oversight of:
  - the integrity of the financial statements of the Partnerships;
  - the Partnerships' status and system of compliance with legal and regulatory requirements and business conduct;
  - the independent registered public accounting firm's qualification and independence; and
  - the performance of the Partnerships' internal audit function; and
- oversee the appointment, retention, compensation, evaluation and termination of the Partnerships' independent registered public accounting firm.

Consistent with these functions, the Audit Committee encourages continuous improvement of, and fosters adherence to, the Partnerships' policies, procedures and practices at all levels. With respect to these matters, the Audit Committee provides an open avenue of communication among the independent registered public accounting firm, senior management, the Internal Audit Department and the Board. The Audit Committee held seven meetings in 2015.

The Compensation Committee consists of Ms. Slutsky and Messrs. Condron (Chair), Duverne, Elliott and Kraus. The Compensation Committee held three meetings in 2015. For additional information about the Compensation Committee, *see "Compensation Discussion and Analysis—Compensation Committee" in Item 11*.

The functions of each of the committees *discussed above* are more fully described in each committee's charter. The charters are available on our Internet Site.

The Special Committee of the Board ("**Special Committee**") consists of all of the independent directors and, in 2015, included Mses. Hechinger, Messer and Slutsky and Messrs. Condron, Elliott (Chair), Hicks, Schoen and Weinreich. The Special Committee has the authority to direct and oversee any matters referred to it by the Board and/or management including, but not limited to, matters relating to conflicts of interest and the relationship among AB, AB Holding and AXA. The members of the Special Committee do not receive any compensation for their service on the Special Committee, apart from the ordinary meeting fees *described in "Director Compensation in 2015" in Item 11*. The Special Committee did not meet in 2015.

Audit Committee Financial Experts; Financial Literacy

In January 2015, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that each of Messrs. Elliott and Schoen is an "audit committee financial expert" within the meaning of Item 407(d) of Regulation S-K. The Board so determined at its regular meeting in February 2015.

In January 2016, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that each of Messrs. Elliott and Schoen is an "audit committee financial expert" within the meaning of Item 407(d) of Regulation S-K. The Board so determined at its regular meeting in February 2016.

In January 2015, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that each of Messrs. Elliott, Hicks, Schoen and Weinreich is financially literate and possesses accounting or related financial management expertise, as contemplated by Section 303A.07(a) of the NYSE Listed Company Manual ("**Financially Literate**"). The Board so determined at its regular meeting in February 2015.

In January 2016, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that each of Messrs. Elliott, Hicks, Schoen and Weinreich is Financially Literate. The Board so determined at its regular meeting in February 2016.

Independence of Certain Directors

In January 2015, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that each of Mses. Hechinger, Messer and Slutsky and Messrs. Condron, Elliott, Hicks, Schoen and Weinreich is independent. The Board considered immaterial relationships of Mr. Hicks (relating to the fact that Alleghany is a client of SCB LLC) and Ms. Slutsky (relating to a contribution AB made to NYCT in February 2014 and the fact that she is a member of the

boards of directors of AXA Financial and AXA Equitable), and determined, at its February 2015 regular meeting, that each of Mses. Hechinger, Messer and Slutsky and Messrs. Condron, Elliott, Hicks, Schoen and Weinreich is independent within the meaning of the relevant rules.

In January 2016, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that each of Mses. Hechinger, Messer and Slutsky and Messrs. Condron, Elliott, Hicks, Schoen and Weinreich is independent. The Board considered immaterial relationships of Mr. Hicks (relating to the fact that Alleghany is a client of SCB LLC) and Ms. Slutsky (relating to a contribution AB made to NYCT in February 2015 and the fact that she is a member of the boards of directors of AXA Financial and AXA Equitable), and determined, at its February 2016 regular meeting, that each of Mses. Hechinger, Messer and Slutsky and Messrs. Condron, Elliott, Hicks, Schoen and Weinreich is independent within the meaning of the relevant rules.

Board Leadership Structure and Role in Risk Oversight

Leadership

The Board, together with the Governance Committee, is responsible for reviewing the Board's leadership structure. In determining the appropriate individual to serve as our Chairman and CEO, the Board and the Governance Committee consider, among other things, the composition of the Board, the role of the Board's lead independent director (*discussed more fully below)*, our company's strong corporate governance practices, and the challenges and opportunities specific to AB.

We believe that our company derives significant benefits from having one individual hold the positions of both Chairman and CEO, provided we have sufficient counter-balancing governance in place. We see significant value in having the leader in the Board room also manage the affairs of our company, and we believe any potential doubts as to our Board's objectivity in evaluating management are offset by the lead independent director we have in place and the fact that the affirmative consent of our largest Unitholder (AXA) is required in order for any action taken by the Executive Committee or the Compensation Committee to be effective.

Lead Independent Director

Our lead independent director, Steven G. Elliott, was appointed unanimously by our Board in February 2014. He presides at all executive sessions of non-management and independent directors and makes himself available, if requested by Unitholders, for consultation and communication. Interested parties wishing to communicate directly with Mr. Elliott may send an e-mail, with "confidential" in the subject line, to our Corporate Secretary or address mail to Mr. Elliott in care of our Corporate Secretary. Our Corporate Secretary will promptly forward such e-mail or mail to Mr. Elliott. We have posted this information in the "Management & Governance" section of our Internet Site.

Risk Oversight

The Board, together with the Audit Committee, has oversight for our company's risk management framework, which includes investment risk, credit and counterparty risk, and operational risk, and is responsible for helping to ensure that these risks are managed in a sound manner. The Board has delegated to the Audit Committee, which consists entirely of independent directors, the responsibility to consider our company's policies and practices with respect to investment, credit and counterparty, and operational risk assessment and risk management, including discussing with management the major financial risk exposures and the steps taken to monitor and control such exposures. Members of the company's risk management team, who are responsible for identifying, managing and controlling the array of risks inherent in our company's business and operations, make quarterly reports to the Audit Committee, which address investment, credit and counterparty, and operational risk identification, assessment and monitoring. The Chief Risk Officer, whose expertise encompasses both quantitative research and associated investment risks, makes periodic presentations to the Board. He reports directly to our Chairman and CEO and, since 2013, has had a reporting line to the Audit Committee.

The Board has determined that its leadership and risk oversight are appropriate for our company. Mr. Kraus's in-depth knowledge of financial services and extensive executive experience in the investment management industry make him uniquely suited to serve as our Chairman and CEO, while Mr. Elliott's leadership and expertise have proven invaluable at enhancing the overall functioning of the Board and the Audit Committee. The Board believes that the combination of a single Chairman and CEO, a lead independent director, the Audit Committee, a specialized risk management team and significant involvement from our largest Unitholder (AXA) provide the appropriate leadership to help ensure effective risk oversight by the Board.

Code of Ethics and Related Policies

All of our directors, officers and employees are subject to our Code of Business Conduct and Ethics. The code is intended to comply with Section 303A.10 of the NYSE Listed Company Manual, Rule 204A-1 under the Investment Advisers Act and Rule 17j-1 under the Investment Company Act, as well as with recommendations issued by the Investment Company Institute regarding, among other things, practices and standards with respect to securities transactions of investment professionals. The Code of Business Conduct and Ethics establishes certain guiding principles for all of our employees, including sensitivity to our fiduciary obligations and ensuring that we meet those obligations. Our Code of Business Conduct and Ethics may be found in the "Management & Governance" section of our Internet Site.

We have adopted a Code of Ethics for the CEO and Senior Financial Officers, which is intended to comply with Section 406 of the Sarbanes-Oxley Act of 2002 ("**Item 406 Code**"). The Item 406 Code, which may be found in the "Management & Governance" section of our Internet Site, was adopted in October 2004 by the Executive Committee. We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding certain amendments to, or waivers from, provisions of the Item 406 Code that apply to the CEO, the CFO and the Chief Accounting Officer by posting such information on our Internet Site. To date, there have been no such amendments or waivers.

NYSE Governance Matters

Section 303A.00 of the NYSE Listed Company Manual exempts limited partnerships from compliance with the following sections of the Manual, some of which we comply with voluntarily: Section 303A.01 (board must have a majority of independent directors), 303A.04 (corporate governance committee must have only independent directors as its members and must have a charter that addresses, among other things, the committee's purpose and responsibilities), and 303A.05 (compensation committee must have only independent directors as its members and must have a charter that addresses, among other things, the committee's purpose and responsibilities).

AB Holding is a limited partnership (as is AB). In addition, because the General Partner is a subsidiary of AXA, and the General Partner controls AB Holding (and AB), we believe we also would qualify for the "controlled company" exemption. However, we comply voluntarily with the charter requirements set forth in Sections 303A.04 and 303A.05.

Our Corporate Governance Guidelines ("**Guidelines**") promote the effective functioning of the Board and its committees, promote the interests of the Partnerships' respective Unitholders (with appropriate regard to the Board's duties to the sole stockholder of the General Partner), and set forth a common set of expectations as to how the Board, its various committees, individual directors and management should perform their functions. The Guidelines may be found in the "Management & Governance" section of our Internet Site.

The Governance Committee is responsible for considering any request for a waiver under the Code of Business Conduct and Ethics, the Item 406 Code, the AXA Group Compliance and Ethics Guide, and the AXA Financial Policy Statement on Ethics from any director or executive officer of the General Partner. No such waiver has been granted to date and, if a waiver is granted in the future, such waiver would be described in the "Management & Governance" section of our Internet Site.

Our Internet Site, under the heading "Contact our Directors", provides an e-mail address for any interested party, including Unitholders, to communicate with the Board. Our Corporate Secretary reviews e-mails sent to that address and has some discretion in determining how or whether to respond, and in determining to whom such e-mails should be forwarded. In our experience, substantially all of the e-mails received are ordinary client requests for administrative assistance that are best addressed by management, or solicitations of various kinds.

The 2015 Certification by our CEO under NYSE Listed Company Manual Section 303A.12(a) was submitted to the NYSE on February 19, 2015.

Certifications by our CEO and CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 have been furnished as exhibits to this Form 10-K.

AB Holding Unitholders and AB Unitholders may request a copy of any committee charter, the Guidelines, the Code of Business Conduct and Ethics, and the Item 406 Code by contacting our Corporate Secretary. The charters and memberships of the Executive, Audit, Governance and Compensation Committees may be found in the "Management & Governance" section of our Internet Site.

Fiduciary Culture

We maintain a robust fiduciary culture and, as a fiduciary, we place the interests of our clients first and foremost. We are committed to the fair and equitable treatment of all our clients, and to compliance with all applicable rules and regulations and internal policies to which our business is subject. We pursue these goals through education of our employees to promote awareness of our fiduciary obligations, incentives that align employees' interests with those of our clients, and a range of measures, including active monitoring, to ensure regulatory compliance. Our compliance framework includes:

- the Code of Ethics Oversight Committee ("**Ethics Committee**") and the Internal Compliance Controls Committee ("**Compliance Committee**"), each of which consists of our executive officers and other senior executives;
- an ombudsman office, where employees and others can voice concerns on a confidential basis;
- firm-wide compliance and ethics training programs; and
- a Conflicts Officer and a Conflicts Committee, which help to identify and mitigate conflicts of interest.

The Ethics Committee oversees all matters relating to issues arising under our Code of Business Conduct and Ethics and meets on a quarterly basis and at such other times as circumstances warrant. The Ethics Committee and its subcommittee, the Personal Trading Subcommittee, have oversight of personal trading by our employees.

The Compliance Committee reviews compliance issues throughout our firm, endeavors to develop solutions to those issues as they may arise from time to time and oversees implementation of those solutions. The Compliance Committee meets on a quarterly basis and at such other times as circumstances warrant.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires directors of the General Partner and executive officers of the Partnerships, and persons who own more than 10% of the AB Holding Units or AB Units, to file with the SEC initial reports of ownership and reports of changes in ownership of AB Holding Units or AB Units. To the best of our knowledge, during 2015, we complied with all Section 16(a) filing requirements. Our Section 16 filings can be found under "Investor & Media Relations" / "Reports & SEC Filings" on our Internet Site.

Item 11. Executive Compensation

Compensation Discussion and Analysis ("CD&A")

Compensation Philosophy and Goals

The intellectual capital of our employees is collectively the most important asset of our firm. We invest in people—we hire qualified people, train them, encourage them to give their best thinking to the firm and our clients, and compensate them in a manner designed to motivate, reward and retain them while aligning their interests with the interests of our Unitholders. As a result, the costs of employee compensation and benefits are significant, comprising, for 2015, approximately 53.1% of our operating expenses and representing approximately 42.0% of our net revenues (48.9% of our adjusted net revenues, *as defined below in "Overview of 2015 Incentive Compensation Program"*). Although these percentages are not unusual for companies in the financial services industry, our management, Board and Compensation Committee are sensitive to these costs and actively monitor and oversee our employee compensation programs.

We structure our named executive officer compensation programs with the intent of enhancing firm-wide and individual performance and Unitholder value. Our "**named executive officers**" are:

Chief Executive Officer ("**CEO**")	Peter S. Kraus
Chief Financial Officer ("**CFO**")	John C. Weisenseel
Three other most highly-compensated executive officers	James A. Gingrich, Chief Operating Officer Robert P. van Brugge, Chairman and CEO of Bernstein Research Services Laurence E. Cranch, General Counsel

We also are focused on ensuring that our compensation practices are competitive with industry peers and provide sufficient potential for wealth creation for our named executive officers and our employees generally, which we believe will enable us to meet the following key compensation goals:

- attract, motivate and retain highly-qualified executive talent;
- reward prior year performance;
- incentivize future performance;
- recognize and support outstanding individual performance and behaviors that demonstrate and foster our firm's culture of Relentless Ingenuity, which includes the core competencies of relentlessness, ingeniousness, collaboration and accountability; and
- align our executives' long-term interests with those of our Unitholders and clients.

Compensation Elements for Named Executive Officers

We utilize a variety of compensation elements to achieve the goals *described above*, consisting of base salary, annual short-term incentive compensation awards (cash bonuses), a long-term incentive compensation award program, a defined contribution plan and certain other benefits, each of which we *discuss in detail below*:

Base Salaries
Base salaries comprise a relatively small portion of our named executive officers' total compensation. We consider individual experience, responsibilities and tenure with the firm when determining the narrow range of base salaries paid to our executives.

Annual Short-Term Incentive Compensation Awards (Cash Bonuses)
We provide our named executive officers, other than Mr. Kraus (for information relating to Mr. Kraus's compensation elements, *please refer to "Overview of Our CEO's Compensation" below*), with annual short-term incentive compensation awards in the form of cash bonuses.

We believe that annual cash bonuses, which generally reflect individual performance and the firm's current year financial performance, provide a short-term retention mechanism for our named executive officers, other than Mr. Kraus, because such bonuses typically are paid during the last week of the year.

In 2015, we paid annual cash bonuses in late December. These bonuses, and the 2015 long-term incentive compensation awards *described immediately below*, were based on management's evaluation, subject to the Compensation Committee's review and approval, of each named executive officer's performance during the year, the performance of the executive's business unit or function compared to business and operational goals established at the beginning of the year, and the firm's current-year financial performance. For more information regarding the factors considered when determining cash bonuses for executives, *see "Other Factors Considered When Determining Named Executive Officer Compensation" below*.

Long-Term Incentive Compensation Awards
A substantial portion of long-term incentive compensation awards generally is denominated in restricted AB Holding Units. We utilize this structure to align our named executive officers' long-term interests directly with the interests of our Unitholders and indirectly with the interests of our clients, as strong performance for our clients generally contributes directly to increases in assets under management and improved financial performance for the firm.

We believe that annual long-term incentive compensation awards provide a long-term retention mechanism for our named executive officers because such awards generally vest ratably over four years. In 2015, these awards, which were granted in December to each named executive officer (other than Mr. Kraus), were made pursuant to the Incentive Compensation Program, an unfunded, non-qualified incentive compensation plan, and, when the award is AB Holding Unit-based, the 2010 Plan, our equity compensation plan.

Employees, except certain members of senior management, can elect to diversify their long-term incentive compensation awards by allocating up to 50% of their awards to cash, up to a maximum cash amount of $250,000 ("**Deferred Cash**"). The portion of an award allocated to Deferred Cash is subject to the same multi-year vesting periods (generally, four years) as the portion of the award allocated to restricted AB Holding Units.

With respect to both restricted AB Holding Units and Deferred Cash, award recipients who resign or are terminated without cause continue to vest in their long-term incentive compensation awards if the award recipients comply with certain agreements and restrictive covenants set forth in the applicable award agreement, including restrictions on competition, restrictions on

employee and client solicitation, and a claw-back for failing to follow existing risk management policies. As such, for accounting purposes, there is no employee service requirement and awards are fully expensed when granted. (As used in this Item 11, "vest" refers to the time at which the awards are no longer subject to forfeiture for breach of these restrictions or risk management policies, which we *discuss further below in "Consideration of Risk Matters in Determining Compensation"*.)

Prior to vesting, withdrawals of the restricted AB Holding Units and/or Deferred Cash underlying an award are not permitted. Upon vesting, the AB Holding Units and/or Deferred Cash underlying an award are distributed unless the award recipient has, in advance, voluntarily elected to defer receipt to future periods. Quarterly cash distributions on vested and unvested restricted AB Holding Units are paid to award recipients when distributed generally. If Deferred Cash is elected, interest accrues monthly based on our monthly weighted average cost of funds and is credited to the award recipient annually. Our weighted average cost of funds during 2015 was approximately 0.3%, representing a nominal return.

Defined Contribution Plan

U.S. employees of AB, including each of our named executive officers, are eligible to participate in the Profit Sharing Plan for Employees of AB (as amended and restated as of January 1, 2015, "**Profit Sharing Plan**"), a tax-qualified retirement plan. The Compensation Committee determines the amount of company contributions (both the level of annual matching by the firm of an employee's pre-tax salary deferral contributions and the annual company profit sharing contribution, if any).

For 2015, the Compensation Committee determined that employee deferral contributions would be matched on a dollar-for-dollar basis up to 5% of eligible compensation and that there would be no profit sharing contribution.

Other Benefits

Our firm provides our named executive officers with access to the following additional benefits:

• Life Insurance: the firm pays the premiums associated with life insurance policies purchased on behalf of our named executive officers.

Consideration of Risk Matters in Determining Compensation

In 2015, we considered whether our compensation practices for employees, including our named executive officers, encourage unnecessary or excessive risk-taking and whether any risks arising from our compensation practices are reasonably likely to have a material adverse effect on our firm. For the reasons *set forth below*, we have determined that our current compensation practices do not create risks that are reasonably likely to have a material adverse effect on our firm.

As described above in "Compensation Elements for Named Executive Officers – Long-Term Incentive Compensation Awards", a substantial portion of each long-term incentive compensation award granted to an eligible employee is denominated in AB Holding Units that are not distributed until subsequent years, so the ultimate value that the employee derives from the award depends on the long-term performance of the firm. Denominating a substantial portion of the award in restricted AB Holding Units and deferring their delivery sensitizes employees to risk outcomes and discourages them from taking excessive risks that could lead to a decrease in the value of the AB Holding Units. Furthermore, *and as noted above in "Compensation Elements for Named Executive Officers – Long-Term Incentive Compensation Awards"*, generally all outstanding long-term incentive compensation awards include a provision permitting us to "claw-back" the unvested portion of an employee's long-term incentive compensation award (whether denominated in restricted AB Holding Units or Deferred Cash) if the Compensation Committee determines that (i) the employee failed to follow existing risk management policies and (ii) as a result of the employee's failure, there has been or reasonably could be expected to be a material adverse impact on our firm or the employee's business unit.

Overview of 2015 Incentive Compensation Program

In 2015, each of our named executive officers, other than Mr. Kraus, received a portion of his incentive compensation in the form of an annual cash bonus and a portion in the form of long-term incentive compensation (*as described above*, at least 50% of which must have been allocated to restricted AB Holding Units). The split between the annual cash bonus and long-term incentive compensation varied depending on the named executive officer's total compensation, with lower-paid executives receiving a greater percentage of their incentive compensation as cash bonuses than more highly-paid executives. (For additional information about these compensatory elements, *see "Compensation Elements for Named Executive Officers" above*.)

Although estimates are developed for budgeting and strategic planning purposes, incentive compensation is not correlated with meeting any specific targets (except that the compensation incentives for some of our salespeople are based on sales levels).

Instead, the aggregate amount of incentive compensation generally is determined on a discretionary basis and primarily is a function of our firm's current year financial performance. Amounts are awarded to help us achieve our goal of attracting, motivating and retaining top talent while also helping to ensure that our executives' goals are appropriately aligned with the goal of increasing our Unitholders' return on their investment.

Senior management, with the approval of the Compensation Committee, confirmed that the appropriate metric to consider in determining the amount of incentive compensation for 2015 is the ratio of adjusted employee compensation and benefits expense to adjusted net revenues, which terms *are described immediately below*:

- **Adjusted employee compensation and benefits expense** is our total employee compensation and benefits expense minus other employment costs such as recruitment, training, temporary help and meals, and excludes the impact of mark-to-market vesting expense, as well as dividends and interest expense, associated with employee long-term incentive compensation-related investments.

- **Adjusted net revenues** (*see our discussion of "Management Operating Metrics" in Item 7*) exclude investment gains and losses and dividends and interest on employee long-term incentive compensation-related investments and the 90% of the investment gains and losses of our consolidated venture capital fund attributable to non-controlling interests. In addition, adjusted net revenues offset distribution-related payments to third parties as well as amortization of deferred sales commissions against distribution revenues. We also exclude from adjusted net revenues additional pass-through expenses we incur (primarily through our transfer agent) that are reimbursed and recorded as fees in revenues.

Also, senior management, with the approval of the Compensation Committee, determined that the firm's adjusted employee compensation and benefits expense generally should not exceed 50.0% of our adjusted net revenues, except in unexpected or unusual circumstances. *As the table below indicates*, in 2015, adjusted employee compensation and benefits expense amounted to approximately 48.9% of adjusted net revenues (in thousands):

Net Revenues	$	3,020,727
Adjustments (*see above*)		(496,809)
Adjusted Net Revenues	**$**	**2,523,918**
Employee Compensation & Benefits Expense	$	1,267,926
Adjustments (*see above*)		(32,621)
Adjusted Employee Compensation & Benefits Expense	**$**	**1,235,305**
Adjusted Compensation Ratio		**48.9%**

Our 2015 adjusted compensation ratio of approximately 48.9% reflects the need to keep compensation levels competitive with industry peers in order to attract, motivate and retain highly-qualified executive talent.

Benchmarking

In 2015, we retained McLagan Partners ("**McLagan**") to provide compensation benchmarking data for our named executive officers ("**McLagan Data**"). The McLagan Data summarized 2014 compensation levels and 2015 salaries at selected asset management companies and banks comparable to ours in terms of size and business mix ("**Comparable Companies**"), to assist us in determining the appropriate level of compensation for the firm's named executive officers, other than Mr. Kraus.

The McLagan Data provided ranges of compensation levels at the Comparable Companies for executive positions similar to those held by our named executive officers, including base salary, total cash compensation and total compensation.

The Comparable Companies, which management selected with input from McLagan, included:

Bank of America Merrill Lynch	Barclays Capital Group	BlackRock Financial Management, Inc.
Citigroup Inc.	Credit Suisse Group AG	Deutsche Bank AG
Franklin Resources, Inc.	Goldman Sachs Group, Inc.	Goldman Sachs Asset Management, L.P.
Invesco Ltd.	JPMorgan Chase & Co.	JPMorgan Asset Management Inc.
Morgan Stanley	Morgan Stanley Investment Management Inc.	PIMCO LLC
T. Rowe Price Group, Inc.	UBS AG	The Vanguard Group, Inc.

The McLagan Data indicated that the total compensation paid to our named executive officers in 2015 fell within or below the ranges of total compensation paid to executives at the Comparable Companies.

The Compensation Committee considered this information in concluding that the compensation levels paid in 2015 to our named executive officers were appropriate and reasonable.

Other Factors Considered When Determining Named Executive Officer Compensation

We base decisions about the compensation of our named executive officers, other than Mr. Kraus, primarily on our assessment of each executive's leadership, operational performance, and potential to enhance investment returns and service for our clients, all of which contribute to long-term Unitholder value. We do not utilize quantitative formulas when determining the compensation of our named executive officers. Instead, we rely on our judgment about each executive's performance in light of business and operational goals established at the beginning of the year and reviewed in the context of the current-year financial performance of the firm. We begin this process, which is conducted by the CEO and the COO working with other members of senior management, by determining the total incentive compensation amounts available for a particular year (*as more fully explained above in "Overview of 2015 Incentive Compensation Program"*).

We then consider a number of key factors for each of the named executive officers (other than Mr. Kraus, our CEO, whose compensation is *described below in "Overview of Our CEO's Compensation"*). Specific factors will vary among business units, among individuals and during different business cycles, so we do not adopt any specific weighting or formula under which these metrics are applied. Key factors we consider include:

- the firm's financial performance in the current year;
- the named executive officer's performance compared to individual business and operational goals established at the beginning of the year;
- the firm's strategic and operational considerations;
- total compensation awarded to the named executive officer in the previous year;
- the increase or decrease in the current year's total incentive compensation amounts available;
- the contribution of the named executive officer to our overall financial results;
- the nature, scope and level of responsibilities of the named executive officer;
- the named executive officer's execution of our firm's culture of Relentless Ingenuity; and
- the named executive officer's management effectiveness, talent development, and adherence to risk management and regulatory compliance.

We then provided specific incentive compensation recommendations to the Compensation Committee, which recommendations were supported by the factors *listed above*. We also provided the Compensation Committee with the McLagan Data, which was not used in a formulaic or mechanical way to determine named executive officer compensation levels, but rather, *as noted above*, provided the Compensation Committee with compensation levels paid to executives at the Comparable Companies. The Compensation Committee then made the final incentive compensation decisions.

We have *described in the table below* the business and operational goals established at the beginning of 2015 for our named executive officers, other than Mr. Kraus, and their achievements during 2015:

Named Executive Officer	2015 Business and Operational Goals	2015 Goals Achieved
James A. Gingrich COO	− increase operating efficiency; − optimize Retail, Institutions and Private Wealth strategy and sales efforts; − enhance planning and organizational processes; − optimize revenue and profitability of Bernstein Research Services; − foster a culture of meritocracy, empowerment and accountability among business leaders; and − recruit and retain top talent.	− contained operating costs; − implemented processes to better manage costs; − implemented organizational changes within distribution functions designed to enhance product development, marketing effectiveness and sales productivity; − helped improve Bernstein Research Services revenues and margins; and − helped recruit new personnel in several key positions.
Robert P. van Brugge Chairman and CEO, Bernstein Research Services	− optimize revenue and profitability of Bernstein Research Services; − further enhance this unit’s research capabilities, trading services and product array; − extend this unit’s geographic platform; and − attract, motivate and retain top talent.	− increased Bernstein Research Services profitability; − achieved excellent results in third-party research and trading surveys; − increased the commercial success of our firm's sell-side trading platform; and − continued to expand the sell-side business in Asia.
Laurence E. Cranch General Counsel	− maintain and improve our firm's good compliance record; − improve the Legal and Compliance Department's level of client service; − develop and retain high quality talent in the Legal and Compliance Department; − manage the firm's legal and compliance risks; and − continue to aggressively manage outside counsel and other expenses.	− required strict adherence to our firm's compliance policies and procedures and ensured our firm fulfills its fiduciary duties to clients; − identified several areas that presented particular risk to AB with respect to compliance and adopted new processes and procedures to address these risks; − enhanced AB's due diligence and compliance monitoring processes with respect to new products that involve particular compliance challenges; − received positive evaluations from senior business leaders with respect to the performance of the Legal and Compliance Department; − supervised an ongoing process within the Legal and Compliance Department focused on identifying practices and circumstances that risk exposing the firm to litigation and regulatory enforcement proceedings and took steps to mitigate this risk; and − continued to actively manage outside counsel expenses.

Named Executive Officer	2015 Business and Operational Goals	2015 Goals Achieved
John C. Weisenseel CFO	− increase the firm's profitability by controlling expenses; − evaluate and support new business development opportunities; − manage business funding requirements within the context of the firm's capital and liquidity; − assess financial processes and systems; − ensure adherence to internal control structure and financial reporting standards; − continue communications with the firm's investors and credit rating agencies; and − identify and develop the next generation of leaders in the Finance and Administrative Services Departments.	− decreased non-compensation expenses compared to 2014; − provided accounting and tax guidance in structuring, integrating and funding business development opportunities; − repurchased AB Holding Units to offset earnings per unit dilution, which otherwise would result from employee equity-based compensation awards; − improved the efficiency of internal financial reporting through the design and testing of a new, robust financial reporting system; − enhanced internal financial reporting, including an increased focus on management operating metrics, to provide more useful information to senior management; − maintained active dialogue with AB's investor community and credit rating agencies and sponsored the asset management industry annual CFO roundtable; and − implemented several staffing changes in the Finance and Administrative Services Departments, providing better client service within our firm while reducing costs.

As indicated in the table above, each of the named executive officers included in the table successfully achieved his goals in 2015. The compensation of each of these named executive officers reflected Mr. Kraus's and the Compensation Committee's judgment in assessing the importance of his achievements to our firm's financial results.

Overview of Our CEO's Compensation

In 2015, Mr. Kraus was compensated for his services as Chairman of the Board and CEO based on the terms set forth in his employment agreement dated as of June 21, 2012 ("**Kraus Employment Agreement**"). The Kraus Employment Agreement commenced on January 3, 2014 and terminates on January 2, 2019 ("**Employment Term**"), unless it is terminated earlier in accordance with its terms. Although the Employment Term did not commence until January 3, 2014, certain provisions of the Kraus Employment Agreement became effective on June 21, 2012, the date the agreement was signed, including those provisions *summarized below* pertaining to the grant of 2,722,052 restricted AB Holding Units to Mr. Kraus ("**June 2012 Grant**") and termination of his employment.

The terms of the Kraus Employment Agreement were the result of arm's-length negotiations between Mr. Kraus, members of the Compensation Committee, who discussed this matter during four Special Meetings of the Compensation Committee held in 2012, and other members of the Board. In addition, the Compensation Committee considered comparative compensation benchmarking data ("**Johnson Data**") from Johnson Associates, Inc., a compensation consultant engaged by the Compensation Committee. The Johnson Data provided ranges of CEO compensation levels for 2011 at selected asset management companies and banks comparable to ours in terms of size and business mix, including salary, cash bonus, total cash compensation and total compensation. The comparable companies, which management selected with input from Johnson Associates, included:

Affiliated Managers Group, Inc.	Ameriprise Financial, Inc.	The Bank of New York Mellon Corp.
BlackRock Financial Management, Inc.	Credit Suisse Asset Management LLC	Eaton Vance Corp.
Federated Investors, Inc.	Franklin Resources, Inc.	Invesco Ltd.
Janus Capital Group Inc.	JPMorgan Asset Management Inc.	Lazard Ltd.
Legg Mason, Inc.	Morgan Stanley	Northern Trust Corporation
State Street Global Advisors Ltd.	T. Rowe Price Group, Inc.	

In addition, the Johnson Data indicated that the compensation terms for Mr. Kraus set forth in the Kraus Employment Agreement were fully competitive and consistent with industry standards given our firm's size, scope and complexity, the importance of CEO continuity, Mr. Kraus's experience and integral role in the ongoing execution of our firm's long-term growth strategy, and the allocation of Mr. Kraus's compensation more heavily to restricted equity.

The Compensation Committee and the Executive Committee, based on the Johnson Data and other inquiry as needed, decided to structure the allocation of Mr. Kraus's compensation under the Kraus Employment Agreement heavily toward the June 2012 Grant. For information regarding the Executive Committee, *see "Committees of the Board" in Item 10.*

Compensation Elements

Base Salary
Mr. Kraus's annual base salary under the Kraus Employment Agreement, which originally was set at $275,000, was increased to $400,000 by the Compensation Committee, effective January 1, 2014. This amount is comparable to the annual base salary paid to our most senior executives generally and is consistent with our firm's policy to keep base salaries of executives and other highly-compensated employees low in relation to total compensation. Any future increase to Mr. Kraus's base salary is entirely in the discretion of the Compensation Committee.

Cash Bonus
Mr. Kraus did not receive a cash bonus for 2015, nor is he entitled to receive a future cash bonus during the remainder of the Employment Term. Any future cash bonus that may be paid to Mr. Kraus is entirely in the discretion of the Compensation Committee.

Restricted AB Holding Units
Mr. Kraus was awarded the June 2012 Grant upon execution of the Kraus Employment Agreement, on June 21, 2012. The size of the June 2012 Grant, which had a value of approximately $33 million based on the market price of an AB Holding Unit on June 21, 2012, reflected the determination by Mr. Kraus and the Board that this was a reasonable and appropriate amount of long-term incentive compensation in view of Mr. Kraus's expertise and experience, his past compensation, and the compensation of the CEOs included in the Johnson Data.

Subject to accelerated vesting clauses in the Kraus Employment Agreement (*e.g.*, immediate vesting upon a "change in control" of our firm, *as discussed in detail below*), the June 2012 Grant vests ratably on each of the first five anniversaries of December 19, 2013, commencing December 19, 2014, provided, with respect to each installment, Mr. Kraus continues to be employed by AB on the vesting date. However, Mr. Kraus elected to delay delivery of all of the restricted AB Holding Units until December 19, 2018, the final vesting date, subject to acceleration upon a "change in control" of our firm and certain qualifying events of termination of employment (*see "Terms Relating to Change in Control and Termination of Employment" below*).

During the Employment Term, Mr. Kraus is paid the cash distributions payable with respect to his unvested and vested restricted AB Holding Units until the AB Holding Units are delivered or forfeited. These cash distributions generally are paid at the time distributions are made to AB Holding Unitholders.

As noted above, Mr. Kraus did not receive an equity-based award for 2015, nor is he entitled to receive a future equity award during the remainder of the Employment Term. Accordingly, during the Employment Term, the totality of Mr. Kraus's compensation (other than his base salary) is and, absent any additional awards the Compensation Committee may choose to grant, will continue to be, dependent on the level of cash distributions on the restricted AB Holding Units granted to Mr. Kraus and the evolution of the trading price of an AB Holding Unit, both of which are partially dependent on the financial and operating results of our firm. Therefore, his long-term interests are, and will continue to be, aligned directly with the interests of our Unitholders and indirectly with the interests of our clients, as strong performance for our clients generally contributes directly to increases in assets under management and improved financial performance for the firm.

Perquisites and Benefits

Under the Kraus Employment Agreement, Mr. Kraus is entitled to receive the following perquisites and benefits:

- personal use of company aircraft (provided he reimburses the company for any incremental cost resulting from such use), and the ability to have family members accompany him on company aircraft when Mr. Kraus travels for business purposes (provided that taxable income is imputed to him for any business flight on which family members are aboard);
- personal use of a company car and driver;
- following termination of his employment due to death or disability, continued health and welfare benefits (*see note 6 to "Potential Payments upon Termination or Change in Control" table below* for additional information); and
- following termination of his employment by AB without cause or by Mr. Kraus for good reason, payments equal to the cost of COBRA coverage for the period for which he is entitled to COBRA.

Terms Relating to Change in Control and Termination of Employment

The June 2012 Grant will vest immediately upon a "change in control" of our firm. A change in control is defined as:

- AXA ceasing to control the management of AB's business; or
- AB Holding ceasing to be publicly traded.

Mr. Kraus negotiated the change-in-control provisions *described immediately above* in order to ensure that AB would continue to be operated as a separately-managed entity and with a certain degree of independence and that AB Holding would continue as a publicly-traded entity. Both AXA and Mr. Kraus believed that these arrangements added significant value to AB. The Board understood that AXA had no intention of changing these arrangements during the Employment Term and, accordingly, concluded that the change-in-control provisions were acceptable and necessary in order to retain Mr. Kraus.

The Kraus Employment Agreement also provides for the immediate vesting of the next two installments of restricted AB Holding Units (or the final installment, if only one installment remains unvested as of the termination date) upon certain qualifying terminations of employment, including termination of Mr. Kraus's employment:

- by AB without cause, where "**cause**" includes, among other things:
  - the continued, willful failure by Mr. Kraus to perform substantially his duties with AB after a written demand for substantial performance is delivered to him by the Board;
  - Mr. Kraus's conviction of, or plea of guilty or *nolo contendere* to, a crime that constitutes a felony;
  - the willful engaging by Mr. Kraus in misconduct that is materially and demonstrably injurious to AB or any of its affiliates;
  - the willful breach by Mr. Kraus of the covenant not to disclose any confidential information pertaining to AB or its affiliates or the covenant not to compete with AB or its affiliates; or
  - Mr. Kraus's failure to comply with a material written company workplace policy applicable to him, and

- by Mr. Kraus for good reason, where "**good reason**" generally includes actions taken by AB resulting in a material negative change in Mr. Kraus's employment relationship, such as:
  - assignment to Mr. Kraus of duties materially inconsistent with his position;
  - any material breach of the Kraus Employment Agreement by AB;
  - a requirement by AB that Mr. Kraus be based at any office or location more than 25 miles commuting distance from company headquarters; or
  - a requirement that Mr. Kraus report to an officer or employee of AB instead of reporting directly to the Board and the CEO of AXA.

In addition, if Mr. Kraus dies or becomes disabled during the Employment Term, Mr. Kraus immediately will vest in a pro-rated portion of any restricted AB Holding Units otherwise due to vest on the next vesting date.

Mr. Kraus negotiated the provisions *described immediately above* in order to preserve the value of his long-term incentive compensation arrangement. The Board agreed to these provisions because they were typical of executive compensation agreements for executives at Mr. Kraus's level, they provided Mr. Kraus with effective incentives for future performance, and because the Board concluded that they were necessary to retain Mr. Kraus.

The Board also concluded that the change-in-control and termination provisions in the Kraus Employment Agreement fit within AB's overall compensation objectives because these provisions, which aligned with AB's goal of providing Mr. Kraus with effective incentives for future performance:

- permitted AB to retain a highly-qualified chief executive officer;
- aligned Mr. Kraus's long-term interests with those of AB's Unitholders and clients;
- were consistent with AXA's and the Board's expectations with respect to the manner in which AB and AB Holding would be operated during Mr. Kraus's tenure; and
- were consistent with the Board's expectations that Mr. Kraus would not be terminated without cause and that no steps would be taken that would provide him with the ability to terminate the agreement for good reason.

Compensation Committee

In 2015, the Compensation Committee consisted of Ms. Slutsky and Messrs. Condron (Chair), Duverne, Elliott and Kraus. The Compensation Committee held three meetings in 2015.

As discussed in "NYSE Governance Matters" in Item 10, AB Holding, as a limited partnership, is exempt from NYSE rules that require public companies to have a compensation committee consisting solely of independent directors. AXA owns, indirectly, an approximate 62.8% economic interest in AB (as of December 31, 2015), and compensation expense is a significant component of our financial results. For these reasons, Mr. Duverne, Deputy CEO of AXA, is a member of the Compensation Committee, and any action taken by the Compensation Committee requires the affirmative vote or consent of an executive officer of one or more of our parent companies. (Presently, Mr. Duverne is the only member of the Compensation Committee who is also an executive officer of one or more of our parent companies.)

The Compensation Committee has general oversight of compensation and compensation-related matters, including:

- determining cash bonuses;
- determining contributions and awards under incentive plans or other compensation arrangements (whether qualified or non-qualified) for employees of AB and its subsidiaries, and amending or terminating such plans or arrangements or any welfare benefit plan or arrangement or making recommendations to the Board with respect to adopting any new incentive compensation plan, including equity-based plans;
- reviewing and approving the compensation of our CEO, evaluating his performance, and determining and approving his compensation level based on this evaluation; and
- reviewing and discussing the CD&A, and recommending to the Board its inclusion in the Partnerships' Forms 10-K and, when applicable, proxy statements.

The Compensation Committee's year-end process generally has focused on the cash bonuses and long-term incentive compensation awards granted to senior management. Mr. Kraus is an active member of the Compensation Committee, but he does not participate in any committee discussions or votes regarding his own compensation. Mr. Kraus, working with the COO and other members of senior management, provides recommendations for individual employee awards to the Compensation Committee for its consideration. As part of this process, management provides the committee with compensation benchmarking data from one or more compensation consultants. For 2015, we paid $26,750 to McLagan for executive compensation benchmarking data and an additional $272,654 for survey and consulting services relating to the amount and form of compensation paid to employees other than executives.

The Compensation Committee held its regularly-scheduled meeting regarding year-end compensation on December 11, 2015, at which meeting it discussed and approved senior management's compensation recommendations. The Compensation Committee did not retain its own consultants.

The Compensation Committee's functions are more fully described in the committee's charter, which is available on-line in the "Management & Governance" section of our Internet Site.

Other Compensation-Related Matters

AB and AB Holding are, respectively, private and public limited partnerships, and are subject to taxes other than federal and state corporate income tax (*see "Structure-related Risks" in Item 1A and Note 19 to AB's consolidated financial statements in Item 8*). Accordingly, Section 162(m) of the Code, which limits tax deductions relating to executive compensation otherwise available to entities taxed as corporations, is not applicable to either AB or AB Holding.

Compensation Committee Interlocks and Insider Participation

Mr. Duverne is the Deputy CEO of AXA, the ultimate parent company of the General Partner.

Mr. Kraus is Chairman of the Board and CEO of the General Partner and, accordingly, also serves in that capacity for AB and AB Holding. Mr. Kraus is also a director of AXA Financial, AXA Equitable and MLOA. In addition, Mr. Kraus is a member of the Management Committee of AXA. Other than Mr. Kraus, no executive officer of AB served as (i) a member of a compensation committee or (ii) a director of another entity, an executive officer of which served as a member of AB's Compensation Committee or Board.

Compensation Committee Report

The members of the Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis set forth above and, based on such review and discussion, recommended to the Board its inclusion in this Form 10-K.

Christopher M. Condron (Chair)	Denis Duverne
Steven G. Elliott	Peter S. Kraus
Lorie A. Slutsky	

Summary Compensation Table for 2015

Total compensation of our named executive officers for 2015, 2014 and 2013, as applicable, is as follows:

Name and Principal Position	Year	Salary($)	Bonus($)	Stock Awards[1][2] ($)	All Other Compensation ($)	Total($)
Peter S. Kraus[3]	2015	400,000	—	—	6,544,627	6,944,627
Chairman and CEO	2014	411,539	—	—	6,374,364	6,785,903
	2013	275,000	—	—	3,168,218	3,443,218
James A. Gingrich	2015	400,000	3,940,000	3,660,000	892,863	8,892,863
Chief Operating Officer	2014	415,385	3,940,000	3,660,000	872,272	8,887,657
	2013	400,000	3,940,000	3,660,000	654,791	8,654,791
Robert P. van Brugge	2015	400,000	2,040,000	1,760,000	339,762	4,539,762
Chairman and CEO of SCB LLC	2014	415,385	1,940,000	1,660,000	327,253	4,342,638
	2013	400,000	1,565,000	1,285,000	563,175	3,813,175
Laurence E. Cranch[4]	2015	400,000	915,000	635,000	334,969	2,284,969
General Counsel						
John C. Weisenseel	2015	375,000	915,000	610,000	129,559	2,029,559
CFO	2014	389,423	800,000	500,000	135,457	1,824,880
	2013	375,000	710,000	440,000	116,180	1,641,180

(1) The figures in the "Stock Awards" column provide the aggregate grant date fair value of the awards calculated in accordance with FASB ASC Topic 718. For the assumptions made in determining these values, *see Note 17 to our consolidated financial statements in Item 8.*

(2) *See "Grants of Plan-based Awards in 2015" below* for information regarding the 2015 long-term incentive compensation awards granted to our named executive officers.

(3) Mr. Kraus's compensation structure is set forth in the Kraus Employment Agreement, the terms of which are *described above in "Overview of Our CEO's Compensation"*.

(4) We have not provided 2014 or 2013 compensation for Mr. Cranch because he was not a named executive officer in 2014 or 2013.

The "All Other Compensation" column includes the aggregate incremental cost to our company of certain other expenses and perquisites. For 2015, the column includes the following:

Name	Quarterly Distributions on AB Holding Unit Awards ($)	Aircraft-related Imputed Income ($)	Personal Use of Car and Driver ($)	Contributions to Profit Sharing Plan ($)	Life Insurance Premiums ($)	Financial Planning Services ($)
Peter S. Kraus	6,304,272	49,117 [1]	177,988 [2]	13,250	—	—
James A. Gingrich	858,033	—	—	13,250	1,806	19,774
Robert P. van Brugge	325,882	—	—	13,250	630	—
Laurence E. Cranch	318,519	—	—	13,250	3,200	—
John C. Weisenseel	114,632	—	—	13,250	1,677	—

(1) We use the Standard Industry Fare Level ("**SIFL**") methodology to calculate the amount to include in the taxable income of named executive officers for the personal use of company-owned aircraft. Using the SIFL methodology, which was approved by the Compensation Committee, limits our ability to deduct the full cost of personal use of company-owned aircraft by our executive officers. Mr. Kraus reimburses AB for any incremental cost resulting from his personal use of company-owned aircraft. However, taxable income is imputed to Mr. Kraus for business flights on which family members are aboard. The figure in the table represents the taxable income for the 12 months ended October 31, 2015 that was imputed to Mr. Kraus. In addition, AB was unable to deduct approximately $1.4 million of the cost of company-owned

aircraft, representing a tax cost to AB of $14,340, due to the fact that family members accompanied Mr. Kraus on certain trips on company-owned aircraft taken for business purposes.

(2) Includes lease costs ($15,422), driver compensation ($143,657) and other car-related costs ($18,909), such as parking, gas, tolls, and repairs and maintenance.

Grants of Plan-based Awards in 2015

Grants of awards under the 2010 Plan, our equity compensation plan, during 2015 made to our named executive officers are as follows:

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock Awards ($)
Peter S. Kraus	—	—	—
James A. Gingrich[(1)]	12/11/2015	158,992	3,660,000
Robert P. van Brugge[(1)]	12/11/2015	76,455	1,760,000
Laurence E. Cranch[(1)]	12/11/2015	27,585	635,000
John C. Weisenseel[(1)]	12/11/2015	26,499	610,000

(1) *As discussed above in "Overview of 2015 Incentive Compensation Program" and "Compensation Elements for Named Executive Officers—Long-Term Incentive Compensation Awards"*, long-term incentive compensation awards generally are denominated in restricted AB Holding Units. The 2015 long-term incentive compensation awards granted to our named executive officers under the Incentive Compensation Program and the 2010 Plan are shown in the "All Other Stock Awards" column of this table, the "Stock Awards" column of the Summary Compensation Table and the "AB Holding Unit Awards" columns of the Outstanding Equity Awards at 2015 Fiscal Year-End Table.

In 2015, the number of restricted AB Holding Units comprising long-term incentive compensation awards was based on the closing price of an AB Holding Unit as reported for NYSE composite transactions on December 11, 2015, the date on which the Compensation Committee approved the awards.

Outstanding Equity Awards at 2015 Fiscal Year-End

Outstanding equity awards held by our named executive officers as of December 31, 2015 are as follows:

	Option Awards				AB Holding Unit Awards	
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Peter S. Kraus[1]	—	—	—	—	1,633,231	38,952,559
James A. Gingrich[2][3]	263,533	—	17.05	1/23/2019	395,675	9,436,849
Robert P. van Brugge[4]	—	—	—	—	177,609	4,235,975
Laurence E. Cranch[5][6]	78,348	—	17.05	1/23/2019	68,956	1,644,601
John C. Weisenseel[7]	—	—	—	—	55,187	1,316,210

(1) For details regarding the restricted AB Holding Units awarded to Mr. Kraus under the Kraus Employment Agreement, *see "Overview of Our CEO's Compensation – Compensation Elements – Restricted AB Holding Units" above*.

(2) Mr. Gingrich was awarded (i) 158,992 restricted AB Holding Units in December 2015 that are scheduled to vest in 25% increments on each of December 1, 2016, 2017, 2018 and 2019, (ii) 150,992 restricted AB Holding Units in December 2014, 25% of which vested on December 1, 2015 and the remainder of which is scheduled to vest in 25% increments on each of December 1, 2016, 2017 and 2018, (iii) 168,897 restricted AB Holding Units in December 2013, 25% of which vested on each of December 1, 2014 and 2015, and the remainder of which is scheduled to vest in additional 25% increments on each of December 1, 2016 and 2017, and (iv) 155,968 restricted AB Holding Units in December 2012, 25% of which vested on each of December 1, 2013, 2014 and 2015, and the remainder of which is scheduled to vest in an additional 25% increment on December 1, 2016.

(3) Mr. Gingrich was granted 263,533 options to buy AB Holding Units in January 2009, 20% of which vested and became exercisable on each of January 23, 2010, 2011, 2012, 2013 and 2014.

(4) Mr. van Brugge was awarded (i) 76,455 restricted AB Holding Units in December 2015 that are scheduled to vest in 25% increments on each of December 1, 2016, 2017, 2018 and 2019, (ii) 68,482 restricted AB Holding Units in December 2014, 25% of which vested on December 1, 2015 and the remainder of which is scheduled to vest in 25% increments on each of December 1, 2016, 2017 and 2018, (iii) 59,299 restricted AB Holding Units in December 2013, 25% of which vested on each of December 1, 2014 and 2015, and the remainder of which is scheduled to vest in additional 25% increments on each of December 1, 2016 and 2017, and (iv) 80,574 restricted AB Holding Units in December 2012, 25% of which vested on each of December 1, 2013, 2014 and 2015, and the remainder of which is scheduled to vest in an additional 25% increment on December 1, 2016.

(5) Mr. Cranch was awarded (i) 27,585 restricted AB Holding Units in December 2015 that are scheduled to vest in 25% increments on each of December 1, 2016, 2017, 2018 and 2019, (ii) 26,197 restricted AB Holding Units in December 2014, 25% of which vested on December 1, 2015 and the remainder of which is scheduled to vest in 25% increments on each of December 1, 2016, 2017 and 2018, (iii) 29,303 restricted AB Holding Units in December 2013, 25% of which vested on each of December 1, 2014 and 2015, and the remainder of which is scheduled to vest in additional 25% increments on each of December 1, 2016 and 2017, and (iv) 28,290 restricted AB Holding Units in December 2012, 25% of which vested on each of December 1, 2013, 2014 and 2015, and the remainder of which is scheduled to vest in an additional 25% increment on December 1, 2016.

(6) Mr. Cranch was granted 78,348 options to buy AB Holding Units in January 2009, 20% of which vested and became exercisable on each of January 23, 2010, 2011, 2012, 2013 and 2014.

(7) Mr. Weisenseel was awarded (i) 26,499 restricted AB Holding Units in December 2015 that are scheduled to vest in 25% increments on each of December 1, 2016, 2017, 2018 and 2019, (ii) 20,628 restricted AB Holding Units in December 2014, 25% of which vested on December 1, 2015 and the remainder of which is scheduled to vest in 25% increments on each of December 1, 2016, 2017 and 2018, (iii) 20,305 restricted AB Holding Units in December 2013, 25% of which vested on each of December 1, 2014 and 2015, and the remainder of which is scheduled to vest in additional 25% increments on each of December 1, 2016 and 2017, and (iv) 12,265 restricted AB Holding Units in December 2012, 25% of which vested on each of December 1, 2013, 2014 and 2015, and the remainder of which is scheduled to vest in an additional 25% increment on December 1, 2016.

Option Exercises and AB Holding Units Vested in 2015

AB Holding Units held by our named executive officers that vested during 2015 are as follows:

	AB Holding Unit Awards	
Name	Number of AB Holding Units Acquired on Vesting (#)	Value Realized on Vesting ($)
Peter S. Kraus[1]	544,410	12,679,309
James A. Gingrich	151,103	3,635,538
Robert P. van Brugge	67,697	1,628,790
Laurence E. Cranch	30,430	732,146
John C. Weisenseel	30,706	738,786

(1) Mr. Kraus deferred delivery of the 544,410 restricted AB Holding Units that vested in December 2015. *See "Overview of Our CEO's Compensation – Compensation Elements – Restricted AB Holding Units" above* for additional information.

Pension Benefits for 2015

None of our named executive officers are entitled to benefits under the Amended and Restated Retirement Plan for Employees of AB (as amended and restated as of January 1, 2015, "**Retirement Plan**"), our company pension plan. For additional information regarding the Retirement Plan, including interest rates and actuarial assumptions, *see Note 16 to our consolidated financial statements in Item 8.*

Non-Qualified Deferred Compensation for 2015

Vested and unvested non-qualified deferred compensation contributions, earnings and distributions of our named executive officers during 2015 and their non-qualified deferred compensation plan balances as of December 31, 2015 are as follows:

Name	Executive Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)
Peter S. Kraus[1]	12,679,318	(1,850,975)	—	38,952,564
James A. Gingrich[2]	—	(19,090)	(186,278)	1,271,564
Robert P. van Brugge[3]	—	149	(62,649)	—
Laurence E. Cranch[2]	—	4,717	(510,946)	414,222
John C. Weisenseel[3]	—	119	(25,132)	25,013

(1) Mr. Kraus deferred delivery of the 544,410 restricted AB Holding Units that vested in December 2015, the value of which, as of December 19, 2015 (vesting date), is reflected in "Executive Contributions in Last FY", until the earlier of December 19, 2018, his death and the date on which a change in control of AB occurs. "Aggregate Earnings in Last FY" represents the change in the value of these restricted AB Holding Units from December 19, 2015 to December 31, 2015. "Aggregate Balance at Last FYE" represents the aggregate value of the portions of the June 2012 Grant that are scheduled to vest in equal increments on each of December 19, 2016, 2017 and 2018. *See "Overview of Our CEO's Compensation – Compensation Elements – Restricted AB Holding Units" above* for additional information.

(2) Amounts shown reflect Messrs. Gingrich's and Cranch's interests from pre-2009 awards under the predecessor plan to the Incentive Compensation Program, under which plan participants were permitted to allocate their awards (i) among notional investments in AB Holding Units, certain of the investment services we provided to clients and a money market fund, or (ii) under limited circumstances, in options to buy AB Holding Units. For additional information about the Incentive Compensation Program, *see Notes 2 and 17 to our consolidated financial statements in Item 8.*

(3) The amounts shown in "Aggregate Earnings in Last FY" for Messrs. van Brugge and Weisenseel reflect the interest payments associated with the Deferred Cash portions of their respective long-term incentive compensation awards (in 2011 for Mr. van Brugge and in 2012 for Mr. Weisenseel). Interest accrues monthly based on our monthly weighted average cost of funds (approximately 0.3% in 2015) and will be credited to Messrs. van Brugge and Weisenseel annually until the cash

is distributed to them. The amounts shown in "Aggregate Withdrawals/Distributions" for Messrs. van Brugge and Weisenseel represent their respective Deferred Cash distributions during 2015, and the amounts shown in "Aggregate Balance at Last FYE" represent their respective Deferred Cash balances as of December 31, 2015.

Potential Payments upon Termination or Change in Control

Estimated payments and benefits to which our named executive officers would have been entitled upon a change in control of AB or the specified qualifying events of termination of employment as of December 31, 2015 are as follows:

Name	Cash Payments[1] ($)	Acceleration of Restricted AB Holding Unit Awards[2] ($)	Other Benefits ($)
Peter S. Kraus[3]			
Change in control	—	38,952,564	19,855
Termination by AB without cause	—	25,968,376	19,855
Termination by Mr. Kraus for good reason	—	25,968,376	19,855
Death or disability[4][5][6]	—	12,984,188	19,855
James A. Gingrich			
Resignation or termination by AB without cause (complies with applicable agreements and restrictive covenants)[2]	—	9,436,849	—
Death or disability[7]	—	9,436,849	—
Robert P. van Brugge			
Resignation or termination by AB without cause (complies with applicable agreements and restrictive covenants)[2]	—	4,235,975	—
Death or disability[7]	—	4,235,975	—
Laurence E. Cranch			
Resignation or termination by AB without cause (complies with applicable agreements and restrictive covenants)[2]	—	1,644,601	—
Death or disability[7]	—	1,644,601	—
John C. Weisenseel			
Resignation or termination by AB without cause (complies with applicable agreements and restrictive covenants)[2]	25,013	1,316,210	—
Death or disability[7]	25,013	1,316,210	—

(1) For Mr. Weisenseel, amounts shown represent the portions of his awards he elected to allocate to Deferred Cash pursuant to the Incentive Compensation Program that were unvested as of December 31, 2015, and the vesting of which would have accelerated had his employment terminated as of such date under the circumstances specified in the table. (Mr. Weisenseel allocated a portion of his 2012 award to Deferred Cash.) In addition, it is possible that each named executive officer, other than Mr. Kraus, could receive a cash severance payment on the termination of his employment. The amounts of any such cash severance payments would be determined at the time of such termination, so we are unable to estimate such amounts.

(2) *See Notes 2 and 17 in our consolidated financial statements in Item 8 and "Compensation Elements for Named Executive Officers – Long-Term Incentive Compensation Awards" above* for a discussion of the terms set forth in long-term incentive compensation award agreements relating to termination of employment.

(3) If a change in control of AB or a qualifying event of termination of employment had occurred as of December 31, 2015, Mr. Kraus would have been entitled to receive (i) accelerated vesting under the Kraus Employment Agreement of the portion of the June 2012 Grant that remained unvested (in the case of a change in control of AB), the portions of the June 2012 Grant scheduled to vest on December 19, 2016 and 2017 (in the case of termination by AB without cause or termination by Mr. Kraus for good reason), or a pro-rated portion of the June 2012 Grant scheduled to vest on December 19, 2016 (in the case of termination due to death or disability), as shown in "Acceleration of Restricted AB Holding Unit Awards", and (ii) a payment of $19,855 for continuing health and welfare benefits, as shown in "Other Benefits". For additional information, including a detailed description of terms in the Kraus Employment Agreement relating to change in control and qualifying events of termination of employment, *see "Overview of Our CEO's Compensation" above.*

(4) The Kraus Employment Agreement indicates that, if Mr. Kraus dies or becomes disabled, he immediately vests in a pro-rated portion of any restricted AB Holding Units otherwise due to vest on the next vesting date.

(5) The Kraus Employment Agreement defines "Disability" as a good faith determination by AB that Mr. Kraus is physically or mentally incapacitated and has been unable for a period of 120 days in the aggregate during any 12-month period to perform substantially all of the duties for which he is responsible immediately before the commencement of the incapacity.

(6) Under the Kraus Employment Agreement, upon termination of Mr. Kraus's employment due to death or disability, AB will provide at its expense continued health and welfare benefits for Mr. Kraus, his spouse and his dependents through the end of the calendar year in which termination occurs. Thereafter, until the date Mr. Kraus (or, in the case of his spouse, his spouse) reaches age 65, AB will provide Mr. Kraus and his spouse with access to participation in AB's medical plans at Mr. Kraus's (or his spouse's) sole expense based on a reasonably determined fair market value premium rate.

(7) "Disability" is defined in the Incentive Compensation Program award agreements of each of Messrs. Gingrich, van Brugge, Cranch and Weisenseel, and in the Special Option Program award agreement of Messrs. Gingrich and Cranch, as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last for a continuous period of not less than 12 months, as determined by the carrier of the long-term disability insurance program maintained by AB or its affiliate that covers the named executive officer.

Director Compensation in 2015

During 2015, we compensated our directors, who are not employed by our company or by any of our affiliates ("**Eligible Directors**"), as follows:

Name	Fees Earned or Paid in Cash($)	Stock Awards[1][3] ($)	Option Awards[2][3] ($)	Total($)
Christopher M. Condron	78,500	60,000	60,000	198,500
Steven G. Elliott	95,000	120,000	—	215,000
Deborah S. Hechinger	69,500	60,000	60,000	189,500
Weston M. Hicks	68,000	120,000	—	188,000
Heidi S. Messer	48,000	120,000	—	168,000
Scott A. Schoen	69,500	120,000	—	189,500
Lorie A. Slutsky	69,500	120,000	—	189,500
Joshua A. Weinreich	68,000	120,000	—	188,000

(1) The aggregate number of restricted AB Holding Units underlying awards outstanding at December 31, 2015 was: for Mr. Condron, 6,771 AB Holding Units; for Ms. Hechinger, 4,501 AB Holding Units; for Ms. Messer, 3,781 AB Holding Units; for Mr. Schoen, 11,486 AB Holding Units; for Mr. Weinreich, 10,244 AB Holding Units; and for each of Ms. Slutsky and Messrs. Elliott and Hicks, 13,540 AB Holding Units.

(2) The aggregate number of options outstanding at December 31, 2015 was: for Mr. Condron, options to buy 64,103 AB Holding Units; for Mr. Elliott, options to buy 26,383 AB Holding Units; for Ms. Hechinger, options to buy 90,868 AB Holding Units; for Mr. Hicks, options to buy 44,938 AB Holding Units; for Ms. Slutsky, options to buy 41,826 AB Holding Units; and for Mr. Weinreich, options to buy 5,774 AB Holding Units. Ms. Messer and Mr. Schoen do not own any options to buy AB Holding Units.

(3) Reflects the aggregate grant date fair value of the awards calculated in accordance with FASB ASC Topic 718. For the assumptions made in determining these values, *see Note 17 to our consolidated financial statements in Item 8.*

The General Partner pays fees, and makes equity-based awards, only to Eligible Directors. Through December 31, 2015, these fees and awards consisted of:

- an annual retainer of $50,000 (paid quarterly after any quarter during which an Eligible Director serves on the Board);
- a fee of $1,500 for participating in a meeting of the Board, or any duly constituted committee of the Board, whether in person or by telephone;
- an annual retainer of $15,000 for acting as Chair of the Audit Committee;
- an annual retainer of $7,500 for acting as Chair of the Compensation Committee;
- an annual retainer of $7,500 for acting as Chair of the Governance Committee; and
- an annual equity-based grant under an equity compensation plan consisting of (at each Eligible Director's election):
  - restricted AB Holding Units with a grant date value of $120,000;
  - options to buy AB Holding Units with a grant date value of $120,000; or
  - restricted AB Holding Units with a grant date value of $60,000 and options to buy AB Holding Units with a grant date value of $60,000.

Equity grants to Eligible Directors generally are made at the May meeting of the Board. The date of the May meeting is set by the Board the previous year.

At a regularly-scheduled meeting of the Board held during May 2015, the Board, consistent with elections made by our Eligible Directors during the first quarter of 2015, granted to (i) each of Mr. Condron and Ms. Hechinger, 1,891 restricted AB Holding Units and options to buy 14,528 AB Holding Units at $31.74 per AB Holding Unit, and (ii) each of Mses. Messer and Slutsky and Messrs. Elliott, Hicks, Schoen and Weinreich, 3,781 restricted AB Holding Units. The exercise price of the options was the closing price of an AB Holding Unit as reported for NYSE composite transactions on May 21, 2015, the date on which the Board approved the awards. For information about how the Black-Scholes value was calculated, *see Notes 2 and 17 to our consolidated financial statements in Item 8*.

Options granted to Eligible Directors become exercisable ratably over three years. Restricted AB Holding Units granted to Eligible Directors "cliff" vest after three years (*i.e.*, 100% of the award is distributed on the third anniversary of the grant date). In order to avoid any perception that our directors' exercise of their fiduciary duties might be impaired, these options and restricted AB Holding Units are not forfeitable, except if the Eligible Director is terminated for "Cause", as that term is defined in the 2010 Plan or applicable award agreement. Accordingly, vesting and exercisability of options continues following an Eligible Director's resignation from the Board. Restricted AB Holding Units are distributed as soon as administratively possible following an Eligible Director's resignation from the Board.

The General Partner may reimburse any director for reasonable expenses incurred in connection with attendance at Board meetings as well as additional Board responsibilities. AB Holding and AB, in turn, reimburse the General Partner for expenses incurred by the General Partner on their behalf, including amounts in respect of directors' fees and expenses. These reimbursements are subject to any relevant provisions of the AB Holding Partnership Agreement and the AB Partnership Agreement.

At a regularly-scheduled meeting of the Board held during July 2015, the Board approved, effective January 1, 2016, the Eligible Director compensation elements *described immediately below* and agreed to re-consider such compensation elements no less frequently than every five years:

- an annual retainer of $75,000 (paid quarterly after any quarter during which an Eligible Director serves on the Board);
- a fee of $5,000 for participating in any meeting of the Board, whether in person or by telephone, in excess of the six regularly-scheduled Board meetings each year;
- a fee of $2,000 for participating in any meeting of any duly constituted committee of the Board, whether in person or by telephone, in excess of the number of regularly-scheduled committee meetings each year (*i.e.*, in excess of seven meetings of the Audit Committee and three meetings of each of the Executive Committee, the Compensation Committee and the Governance Committee);
- an annual retainer of $20,000 for acting as Lead Independent Director;
- an annual retainer of $25,000 for acting as Chair of the Audit Committee;
- an annual retainer of $12,500 for acting as Chair of the Compensation Committee;
- an annual retainer of $12,500 for acting as Chair of the Governance Committee;
- an annual retainer of $12,500 for serving as a member of the Audit Committee;
- an annual retainer of $6,000 for serving as a member of the Executive Committee;
- an annual retainer of $6,000 for serving as a member of the Compensation Committee;
- an annual retainer of $6,000 for serving as a member of the Governance Committee; and
- an annual equity-based grant under an equity compensation plan consisting of (at each Eligible Director's election):
  - restricted AB Holding Units with a grant date value of $150,000;
  - options to buy AB Holding Units with a grant date value of $150,000; or
  - restricted AB Holding Units with a grant date value of $75,000 and options to buy AB Holding Units with a grant date value of $75,000.

The Board also approved the following increases to Eligible Director compensation, effective as of January 1, 2018:

- an annual retainer of $85,000 (paid quarterly after any quarter during which the director serves on the Board); and
- an annual equity-based grant under an equity compensation plan consisting of (at each Eligible Director's election):
  - restricted AB Holding Units with a grant date value of $170,000;
  - options to buy AB Holding Units with a grant date value of $170,000; or
  - restricted AB Holding Units with a grant date value of $85,000 and options to buy AB Holding Units with a grant date value of $85,000.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Securities Authorized for Issuance under Equity Compensation Plans

AB Holding Units to be issued pursuant to our equity compensation plans as of December 31, 2015 are as follows:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance[1]
Equity compensation plans approved by security holders	5,398,471	$ 47.59	12,538,812
Equity compensation plans not approved by security holders	—	—	—
Total	**5,398,471**	**$ 47.59**	**12,538,812**

(1) All AB Holding Units remaining available for future issuance will be issued pursuant to the 2010 Plan.

There are no AB Units to be issued pursuant to an equity compensation plan.

For information about our equity compensation plans, *see Note 17 to our consolidated financial statements in Item 8.*

Principal Security Holders

As of December 31, 2015, we had no information that any person beneficially owned more than 5% of the outstanding AB Holding Units.

As of December 31, 2015, we had no information that any person beneficially owned more than 5% of the outstanding AB Units, except as reported by AXA and certain of its subsidiaries on Schedule 13D/A and Forms 4 filed with the SEC on December 20, 2013 pursuant to the Exchange Act. We have prepared the following table, and the notes that follow, in reliance on such filings:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership Reported on Schedule	Percent of Class
AXA[1][2][3][4][5] 25 avenue Matignon 75008 Paris, France	170,121,745 [4][5]	62.5 [4][5]

(1) Based on information provided by AXA Financial, on December 31, 2015, AXA and certain of its subsidiaries beneficially owned all of AXA Financial's outstanding common stock. For insurance regulatory purposes, the shares of common stock of AXA Financial beneficially owned by AXA and its subsidiaries have been deposited into a voting trust ("**Voting Trust**"), the term of which has been extended until April 29, 2021. The trustees of the Voting Trust ("**Voting Trustees**") are Henri de Castries, Denis Duverne and Mark Pearson. Messrs. de Castries and Duverne serve on the Board of Directors of AXA, while Mr. Pearson serves on the Management Committee of AXA. The Voting Trustees have agreed to exercise their voting rights to protect the legitimate economic interests of AXA, but with a view to ensuring that certain minority shareholders of AXA do not exercise control over AXA Financial or certain of its insurance subsidiaries.

(2) Based on information provided by AXA, as of December 31, 2015, 14.13% of the issued ordinary shares (representing 23.82% of the voting power) of AXA were owned directly and indirectly by two French mutual insurance companies (AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle) engaged in the Property & Casualty insurance business and the Life & Savings insurance business in France ("**Mutuelles AXA**").

(3) The Voting Trustees and the Mutuelles AXA, as a group, may be deemed to be beneficial owners of all AB Units beneficially owned by AXA and its subsidiaries. By virtue of the provisions of the Voting Trust Agreement, AXA may be deemed to have shared voting power with respect to the AB Units. AXA and its subsidiaries have the power to dispose or direct the disposition of all shares of the capital stock of AXA Financial deposited in the Voting Trust. The Mutuelles AXA, as a group, may be deemed to share the power to vote or to direct the vote and to dispose or to direct the disposition of all the AB Units beneficially owned by AXA and its subsidiaries. The address of each of AXA and Messrs. de Castries and Duverne is 25 avenue Matignon, 75008 Paris, France. The address of Mr. Pearson is 1290 Avenue of the Americas, New York, NY 10104. The address of the Mutuelles AXA is 313 Terrasses de l'Arche, 92727 Nanterre Cedex, France.

(4) By reason of their relationships, AXA, the Voting Trustees, the Mutuelles AXA, AXA America Holdings, Inc. (a subsidiary of AXA, "**AXA America**"), AXA Equitable Financial Services, LLC (a subsidiary of AXA America), AXA-IM Holding U.S. (a 96.23%-owned subsidiary of AXA), AXA Financial, AXA Equitable, Coliseum Reinsurance Company (a subsidiary of AXA Financial), ACMC, LLC (a subsidiary of AXA Equitable) and MLOA may be deemed to share the power to vote or to direct the vote and to dispose or direct the disposition of all or a portion of the 170,121,745 issued and outstanding AB Units.

(5) AXA has reported on Schedule 13D/A and Forms 3 and 4 filed with the SEC on January 5, 2016 that, by reason of its ownership of 100% of the outstanding shares of common stock of AXA America and its ownership of 96.23% of the outstanding shares of common stock of AXA-IM Holding U.S., AXA may be deemed to beneficially own all of the issued and outstanding AB Units owned directly and indirectly by AXA America and AXA-IM Holding U.S.

As of December 31, 2015, AB Holding was the record owner of 100,044,485, or 36.7%, of the issued and outstanding AB Units.

Management

As of December 31, 2015, the beneficial ownership of AB Holding Units by each director and named executive officer of the General Partner and by all directors and executive officers as a group is as follows:

Name of Beneficial Owner	Number of AB Holding Units and Nature of Beneficial Ownership	Percent of Class
Peter S. Kraus[1][2]	4,337,643	4.3%
Christopher M. Condron[3]	96,303	*
Denis Duverne[1]	2,000	*
Steven G. Elliott[4]	46,798	*
Deborah S. Hechinger[5]	75,757	*
Weston M. Hicks[6]	69,320	*
Heidi S. Messer	3,781	*
Mark Pearson[1]	—	*
Scott A. Schoen	61,486	*
Lorie A. Slutsky[1][7]	68,029	*
Christian Thimann[1]	—	*
Joshua A. Weinreich[8]	14,092	*
James A. Gingrich[1][9]	1,041,853	1.0
Laurence E. Cranch[1][10]	288,702	*
Robert P. van Brugge[1][11]	274,962	*
John C. Weisenseel[1][12]	114,675	*
All directors and executive officers as a group (17 persons)[13][14]	6,654,900	6.7%

* Number of AB Holding Units listed represents less than 1% of the Units outstanding.

(1) Excludes AB Holding Units beneficially owned by AXA and its subsidiaries. Ms. Slutsky and Messrs. Kraus, Duverne, Pearson and Thimann are directors and/or officers of AXA, AXA Financial and/or AXA Equitable. Messrs. Kraus, Gingrich, Cranch, van Brugge and Weisenseel are directors and/or officers of the General Partner.

(2) Includes 3,266,462 restricted AB Holding Units awarded to Mr. Kraus pursuant to the Kraus Employment Agreement or his previous employment agreement that have not yet vested and/or with respect to which he has deferred delivery. *See "Overview of Our CEO's Compensation – Compensation Elements – Restricted AB Holding Units" in Item 11* for additional information regarding Mr. Kraus's AB Holding Unit awards.
(3) Includes 37,657 AB Holding Units Mr. Condron can acquire within 60 days under an AB option plan.
(4) Includes 26,383 AB Holding Units Mr. Elliott can acquire within 60 days under an AB option plan.
(5) Includes 60,876 AB Holding Units Ms. Hechinger can acquire within 60 days under an AB option plan.
(6) Includes 44,938 AB Holding Units Mr. Hicks can acquire within 60 days under an AB option plan.
(7) Includes 41,826 AB Holding Units Ms. Slutsky can acquire within 60 days under an AB option plan.
(8) Includes 3,848 AB Holding Units Mr. Weinreich can acquire within 60 days under an AB option plan.
(9) Includes 263,533 AB Holding Units Mr. Gingrich can acquire within 60 days under an AB option plan and 471,339 restricted AB Holding Units awarded to Mr. Gingrich as long-term incentive compensation that have not yet vested or with respect to which he has deferred delivery. For information regarding Mr. Gingrich's long-term incentive compensation awards, *see "Grants of Plan-based Awards in 2015" and "Outstanding Equity Awards at 2015 Fiscal Year-End" in Item 11*.
(10) Includes 78,348 AB Holding Units Mr. Cranch can acquire within 60 days under an AB option plan and 176,066 restricted AB Holding Units awarded to Mr. Cranch as long-term incentive compensation that have not yet vested or with respect to which he has deferred delivery. For information regarding Mr. Cranch's long-term incentive compensation awards, *see "Grants of Plan-based Awards in 2015" and "Outstanding Equity Awards at 2015 Fiscal Year-End" in Item 11*.
(11) Includes 177,609 restricted AB Holding Units awarded to Mr. van Brugge as long-term incentive compensation that have not yet vested or with respect to which he has deferred delivery. For information regarding Mr. van Brugge's long-term incentive compensation awards, *see "Grants of Plan-based Awards in 2015" and "Outstanding Equity Awards at 2015 Fiscal Year-End" in Item 11*.
(12) Includes 55,188 restricted AB Holding Units awarded to Mr. Weisenseel as long-term incentive compensation that have not yet vested or with respect to which he has deferred delivery. For information regarding Mr. Weisenseel's long-term incentive compensation awards, *see "Grants of Plan-based Awards in 2015" and "Outstanding Equity Awards at 2015 Fiscal Year-End" in Item 11*.
(13) Includes 557,409 AB Holding Units the directors and executive officers as a group can acquire within 60 days under AB option plans.
(14) Includes 4,199,752 restricted AB Holding Units awarded to the executive officers as a group as long-term incentive compensation that have not yet vested and/or with respect to which the executive officer has deferred delivery.

As of December 31, 2015, our directors and executive officers did not beneficially own any AB Units.

As of December 31, 2015, the beneficial ownership of the common stock of AXA by each director and named executive officer of the General Partner and by all directors and executive officers as a group is as follows:

AXA Common Stock[1]

Name of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership	Percent of Class
Peter S. Kraus	—	*
Christopher M. Condron[2]	1,882,312	*
Denis Duverne[3]	2,124,161	*
Steven G. Elliott	—	*
Deborah S. Hechinger	—	*
Weston M. Hicks	—	*
Heidi S. Messer	—	*
Mark Pearson[4]	771,392	*
Scott A. Schoen	—	*
Lorie A. Slutsky[5]	42,307	*
Christian Thimann	—	*
Joshua A. Weinreich	—	*
James A. Gingrich	—	*
Laurence E. Cranch	—	*
Robert P. van Brugge	—	*
John C. Weisenseel	—	*
All directors and executive officers as a group (17 persons)[6]	4,820,172	*

* Number of shares listed represents less than 1% of the outstanding AXA common stock.

(1) Holdings of AXA American Depositary Shares ("**ADS**") are expressed as their equivalent in AXA common stock. Each AXA ADS represents the right to receive one AXA ordinary share.

(2) Includes 1,493,230 shares Mr. Condron can acquire within 60 days under option plans. Also includes 265,131 deferred restricted ADS units under AXA's Variable Deferred Compensation Plan for Executives.

(3) Includes 1,019,841 shares Mr. Duverne can acquire within 60 days under option plans.

(4) Includes 373,424 shares Mr. Pearson can acquire within 60 days under options plans. Also includes 257,467 AXA performance shares, which are paid out when vested based on the price of AXA at that time and are subject to achievement of internal performance conditions.

(5) Includes 7,940 shares Ms. Slutsky can acquire within 60 days under option plans.

(6) Includes 2,894,435 shares the directors and executive officers as a group can acquire within 60 days under option plans.

Partnership Matters

The General Partner makes all decisions relating to the management of AB and AB Holding. The General Partner has agreed that it will conduct no business other than managing AB and AB Holding, although it may make certain investments for its own account. Conflicts of interest, however, could arise between AB and AB Holding, the General Partner and the Unitholders of both Partnerships.

Section 17-403(b) of the Delaware Revised Uniform Limited Partnership Act ("**Delaware Act**") states in substance that, except as provided in the Delaware Act or the applicable partnership agreement, a general partner of a limited partnership has the liabilities of a general partner in a general partnership governed by the Delaware Uniform Partnership Law (as in effect on July 11, 1999) to the partnership and to the other partners. Accordingly, while under Delaware law a general partner of a limited partnership is liable as a fiduciary to the other partners, those fiduciary obligations may be altered by the terms of the applicable partnership agreement. Each of the AB Partnership Agreement and AB Holding Partnership Agreement (each a "**Partnership Agreement**" and, together, the "**Partnership Agreements**") sets forth limitations on the duties and liabilities of the General Partner. Each Partnership Agreement provides that the General Partner is not liable for monetary damages for errors in judgment or for breach of fiduciary duty (including breach of any duty of care or loyalty) unless it is established (the

person asserting such liability having the burden of proof) that the General Partner's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury, with reckless disregard for the best interests of the Partnerships or with actual bad faith on the part of the General Partner, or constituted actual fraud. Whenever the Partnership Agreements provide that the General Partner is permitted or required to make a decision (i) in its "discretion" or under a grant of similar authority or latitude, the General Partner is entitled to consider only such interests and factors as it desires and has no duty or obligation to consider any interest of or other factors affecting the Partnerships or any Unitholder of AB or AB Holding or (ii) in its "good faith" or under another express standard, the General Partner will act under that express standard and will not be subject to any other or different standard imposed by either Partnership Agreement or applicable law or in equity or otherwise. Each Partnership Agreement further provides that to the extent that, at law or in equity, the General Partner has duties (including fiduciary duties) and liabilities relating thereto to either Partnership or any partner, the General Partner acting under either Partnership Agreement, as applicable, will not be liable to the Partnerships or any partner for its good faith reliance on the provisions of the Partnership Agreement.

In addition, each Partnership Agreement grants broad rights of indemnification to the General Partner and its directors, officers and affiliates and authorizes AB and AB Holding to enter into indemnification agreements with the directors, officers, partners, employees and agents of AB and its affiliates and AB Holding and its affiliates. The Partnerships have granted broad rights of indemnification to officers and employees of AB and AB Holding. The foregoing indemnification provisions are not exclusive, and the Partnerships are authorized to enter into additional indemnification arrangements. AB and AB Holding have obtained directors and officers/errors and omissions liability insurance.

Each Partnership Agreement also allows transactions between AB and AB Holding and the General Partner or its affiliates, *as we describe in "Policies and Procedures Regarding Transactions with Related Persons" in Item 13*. The Delaware courts have held that provisions in partnership or limited liability company agreements that permit affiliate transactions so long as they are on an arms-length basis operate to establish a contractually-agreed-to fiduciary duty standard of entire fairness on the part of the general partner or manager in connection with the approval of affiliate transactions. Also, each Partnership Agreement expressly permits all affiliates of the General Partner to compete, directly or indirectly, with AB and AB Holding, *as we discuss in "Competition" in Item 1*. The Partnership Agreements further provide that, except to the extent that a decision or action by the General Partner is taken with the specific intent of providing an improper benefit to an affiliate of the General Partner to the detriment of AB or AB Holding, there is no liability or obligation with respect to, and no challenge of, decisions or actions of the General Partner that would otherwise be subject to claims or other challenges as improperly benefiting affiliates of the General Partner to the detriment of the Partnerships or otherwise involving any conflict of interest or breach of a duty of loyalty or similar fiduciary obligation.

Section 17-1101(c) of the Delaware Act provides that it is the policy of the Delaware Act to give maximum effect to the principle of freedom of contract and to the enforceability of partnership agreements. Further, Section 17-1101(d) of the Delaware Act provides in part that to the extent that, at law or in equity, a partner has duties (including fiduciary duties) to a limited partnership or to another partner, those duties may be expanded, restricted, or eliminated by provisions in a partnership agreement (provided that a partnership agreement may not eliminate the implied contractual covenant of good faith and fair dealing). In addition, Section 17-1101(f) of the Delaware Act provides that a partnership agreement may limit or eliminate any or all liability of a partner to a limited partnership or another partner for breach of contract or breach of duties (including fiduciary duties); provided, however, that a partnership agreement may not limit or eliminate liability for any act or omission that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing. Decisions of the Delaware courts have recognized the right of parties, under the above provisions of the Delaware Act, to alter by the terms of a partnership agreement otherwise applicable fiduciary duties and liability for breach of duties. However, the Delaware courts have required that a partnership agreement make clear the intent of the parties to displace otherwise applicable fiduciary duties (the otherwise applicable fiduciary duties often being referred to as "default" fiduciary duties). Judicial inquiry into whether a partnership agreement is sufficiently clear to displace default fiduciary duties is necessarily fact driven and is made on a case by case basis. Accordingly, the effectiveness of displacing default fiduciary obligations and liabilities of general partners continues to be a developing area of the law and it is not certain to what extent the foregoing provisions of the Partnership Agreements are enforceable under Delaware law.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Policies and Procedures Regarding Transactions with Related Persons

Each Partnership Agreement expressly permits AXA and its affiliates, which includes AXA Equitable and its affiliates (collectively, "**AXA Affiliates**"), to provide services to AB and AB Holding if the terms of the transaction are approved by the General Partner in good faith as being comparable to (or more favorable to each such Partnership than) those that would prevail in a transaction with an unaffiliated party. This requirement is conclusively presumed to be satisfied as to any transaction or arrangement that (i) in the reasonable and good faith judgment of the General Partner, meets that unaffiliated party standard, or (ii) has been approved by a majority of those directors of the General Partner who are not also directors, officers or employees of an affiliate of the General Partner.

In practice, our management pricing committees review investment advisory agreements with AXA Affiliates, which is the manner in which the General Partner reaches a judgment regarding the appropriateness of the fees. Other transactions with AXA Affiliates are submitted to the Audit Committee for their review and approval. (*See "Committees of the Board" in Item 10* for details regarding the Audit Committee.) We are not aware of any transaction during 2015 between our company and any related person with respect to which these procedures were not followed.

Our relationships with AXA Affiliates also are subject to applicable provisions of the insurance laws and regulations of New York and other states. Under such laws and regulations, the terms of certain investment advisory and other agreements we enter into with AXA Affiliates are required to be fair and equitable and charges or fees for services performed must be reasonable. Also, in some cases, the agreements are subject to regulatory approval.

We have written policies regarding the employment of immediate family members of any of our related persons. Compensation and benefits for all of our employees is established in accordance with our human resources practices, taking into consideration the defined qualifications, responsibilities and nature of the role.

Financial Arrangements with AXA Affiliates

The General Partner has, in its reasonable and good faith judgment (based on its knowledge of, and inquiry with respect to, comparable arrangements with or between unaffiliated parties), approved the following arrangements with AXA Affiliates as being comparable to, or more favorable to AB than, those that would prevail in a transaction with an unaffiliated party.

Transactions between AB and related persons during 2015 are as follows (the first table summarizes services we provide to related persons and the second table summarizes services our related persons provide to us):

Parties[1]	General Description of Relationship[2]	Amounts Received or Accrued for in 2015
AXA Equitable[3]	We provide investment management services and ancillary accounting, valuation, reporting, treasury and other services to the general and separate accounts of AXA Equitable and its insurance company subsidiaries.	$ 54,659,000
EQAT, AXA Enterprise Trust and AXA Premier VIP Trust	We serve as sub-adviser to these open-end mutual funds, each of which is sponsored by a subsidiary of AXA Financial.	$ 25,986,000
AXA Life Japan Limited[3]		$ 16,517,000
AXA AB Funds	We provide investment management, distribution and shareholder servicing-related services.	$ 15,078,000
AXA Switzerland Life[3]		$ 10,654,000
AXA Re Arizona Company[3]		$ 8,819,000
AXA U.K. Group Pension Scheme		$ 8,308,000

AXA Hong Kong Life[3]	$	5,840,000
AXA France[3]	$	5,715,000
AXA Belgium[3]	$	2,757,000
AXA Germany[3]	$	1,662,000
MONY Life Insurance Company of America[3]	$	1,411,000
AXA Switzerland Property and Casualty[3]	$	944,000
AXA General Insurance Hong Kong Ltd.[3]	$	691,000
AXA Corporate Solutions[3]	$	645,000
AXA Investment Managers Ltd. Paris[3]	$	588,000
AXA Mediterranean[3]	$	497,000
U.S. Financial Life Insurance Company[3]	$	430,000
AIM Deutschland GmbH[3]	$	409,000
AXA Insurance Company[3]	$	142,000
Coliseum Reinsurance[3]	$	106,000
AXA Investment Managers Ltd.[3]	$	106,000

Parties[1][3]	General Description of Relationship		Amounts Paid or Accrued for in 2015
AXA Advisors	Distributes certain of our Retail Products and provides Private Wealth Management referrals.	$	16,140,000
AXA Business Services Pvt. Ltd.	Provides data processing services and support for certain investment operations functions.	$	5,453,000
AXA Technology Services India Pvt.	Provides certain data processing services and functions.	$	4,575,000
AXA Equitable	We are covered by various insurance policies maintained by AXA Equitable.	$	3,177,000
AXA Group Solutions Pvt. Ltd.	Provides maintenance and development support for applications.	$	2,830,000
AXA Advisors	Sells shares of our mutual funds under Distribution Service and educational Support agreements.	$	1,483,000
AXA Wealth	Provides portfolio-related services for assets we manage under the AXA Corporate Trustee Investment Plan.	$	1,015,000
GIE Informatique AXA	Provides cooperative technology development and procurement services to us and to various other subsidiaries of AXA.	$	530,000

(1) AB or one of its subsidiaries is a party to each transaction.
(2) We provide investment management services unless otherwise indicated.
(3) This entity is a subsidiary of AXA.

Additional Transactions with Related Persons

AXA Equitable and its affiliates are not obligated to provide funds to us, except for ACMC, LLC's and the General Partner's obligation to fund certain of our incentive compensation and employee benefit plan obligations. ACMC, LLC and the General Partner are obligated, subject to certain limitations, to make capital contributions to AB in an amount equal to the payments AB is required to make as incentive compensation under the employment agreements entered into in connection with AXA Equitable's 1985 acquisition of Donaldson, Lufkin and Jenrette Securities Corporation (since November 2000, a part of Credit Suisse Group) as well as obligations of AB to various employees and their beneficiaries under AB's Capital Accumulation Plan. In 2015, ACMC, LLC made capital contributions to AB in the amount of approximately $1.6 million in respect of these obligations. ACMC, LLC's obligations to make these contributions are guaranteed by Equitable Holdings, LLC (a wholly-owned subsidiary of AXA Equitable), subject to certain limitations. All tax deductions with respect to these obligations, to the

extent funded by ACMC, LLC, the General Partner or Equitable Holdings, LLC, will be allocated to ACMC, LLC or the General Partner.

Arrangements with Immediate Family Members of Related Persons

During 2015, we did not have arrangements with immediate family members of our directors and executive officers.

Director Independence

See "Independence of Certain Directors" in Item 10.

Item 14. Principal Accounting Fees and Services

Fees for professional audit services rendered by PricewaterhouseCoopers LLP ("**PwC**") for the audit of AB's and AB Holding's annual financial statements for 2015 and 2014, respectively, and fees for other services rendered by PwC are as follows:

	2015	2014
	(in thousands)	
Audit fees[1]	$ 5,608	$ 5,178
Audit-related fees[2]	3,195	3,388
Tax fees[3]	2,155	2,357
All other fees[4]	5	5
Total	**$ 10,963**	**$ 10,928**

(1) Includes $65,563 paid for audit services to AB Holding in both 2015 and 2014.
(2) Audit-related fees consist principally of fees for audits of financial statements of certain employee benefit plans, internal control reviews and accounting consultation.
(3) Tax fees consist of fees for tax consultation and tax compliance services.
(4) All other fees in 2015 and 2014 consisted of miscellaneous non-audit services.

The Audit Committee has a policy to pre-approve audit and non-audit service engagements with the independent registered public accounting firm. The independent registered public accounting firm must provide annually a comprehensive and detailed schedule of each proposed audit and non-audit service to be performed. The Audit Committee then affirmatively indicates its approval of the listed engagements. Engagements that are not listed, but that are of similar scope and size to those listed and approved, may be deemed to be approved, if the fee for such service is less than $100,000. In addition, the Audit Committee has delegated to its chairman the ability to approve any permissible non-audit engagement where the fees are expected to be less than $100,000.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) There is no document filed as part of this Form 10-K.

Financial Statement Schedule.

Attached to this Form 10-K is a schedule describing Valuation and Qualifying Account-Allowance for Doubtful Accounts for the three years ended December 31, 2015, 2014 and 2013.

(b) Exhibits.

The following exhibits required to be filed by Item 601 of Regulation S-K are filed herewith or incorporated by reference herein, as indicated:

Exhibit	Description
3.01	AllianceBernstein Corporation By-Laws with amendments through November 20, 2015.
3.02	Amended and Restated Certificate of Limited Partnership dated February 24, 2006 of AB Holding (incorporated by reference to Exhibit 99.06 to Form 8-K, as filed February 24, 2006).
3.03	Amendment No. 1 dated February 24, 2006 to Amended and Restated Agreement of Limited Partnership of AB Holding (incorporated by reference to Exhibit 3.1 to Form 10-Q for the quarterly period ended September 30, 2006, as filed November 8, 2006).
3.04	Amended and Restated Agreement of Limited Partnership dated October 29, 1999 of AB Holding (incorporated by reference to Exhibit 3.2 to Form 10-K for the fiscal year ended December 31, 2003, as filed March 10, 2004).
3.05	Amended and Restated Certificate of Limited Partnership dated February 24, 2006 of AB (incorporated by reference to Exhibit 99.07 to Form 8-K, as filed February 24, 2006).`
3.06	Amendment No. 1 dated February 24, 2006 to Amended and Restated Agreement of Limited Partnership of AB (incorporated by reference to Exhibit 3.2 to Form 10-Q for the quarterly period ended September 30, 2006, as filed November 8, 2006).
3.07	Amended and Restated Agreement of Limited Partnership dated October 29, 1999 of AB (incorporated by reference to Exhibit 3.3 to Form 10-K for the fiscal year ended December 31, 2003, as filed March 10, 2004).
3.08	Certificate of Amendment to the Certificate of Incorporation of AllianceBernstein Corporation (incorporated by reference to Exhibit 99.08 to Form 8-K, as filed February 24, 2006).
4.01	Contingent Value Rights Agreement, dated as of December 12, 2013, by and between AB and American Stock Transfer & Trust Company, LLC (incorporated by reference to Exhibit 4.01 to Form 10-K for the fiscal year ended December 31, 2013, as filed February 12, 2014).
10.01	AllianceBernstein 2015 Incentive Compensation Award Program.*
10.02	AllianceBernstein 2015 Deferred Cash Compensation Program.*
10.03	Form of Award Agreement under Incentive Compensation Award Program, Deferred Cash Compensation Program and 2010 Long Term Incentive Plan.*
10.04	Form of Award Agreement under 2010 Long Term Incentive Plan relating to equity compensation awards to Eligible Directors.*
10.05	Amendment and Restatement of the Profit Sharing Plan for Employees of AllianceBernstein L.P. (as of January 1, 2015).*
10.06	Amendment and Restatement of the Retirement Plan for Employees of AllianceBernstein L.P. (as of January 1, 2015).*
10.07	Guidelines for Transfer of AB Units.
10.08	Commercial Paper Dealer Agreement 4(a)(2) Program, dated as of June 1, 2015, between AllianceBernstein L.P., as Issuer, and Citigroup Global Markets Inc., as Dealer.
10.09	Commercial Paper Dealer Agreement 4(a)(2) Program, dated as of June 1, 2015, between AllianceBernstein L.P., as Issuer, and Credit Suisse Securities (USA) LLC, as Dealer.
10.10	Commercial Paper Dealer Agreement 4(a)(2) Program, dated as of June 1, 2015, between AllianceBernstein L.P., as Issuer, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Dealer.

10.11	Summary of AB's Lease at 1345 Avenue of the Americas, New York, New York 10105 (incorporated by reference to Exhibit 10.07 to Form 10-K for the fiscal year ended December 31, 2014, as filed February 12, 2015).
10.12	AllianceBernstein L.P. 2010 Long Term Incentive Plan, as amended (incorporated by reference to Exhibit 10.03 to Form 10-K for the fiscal year ended December 31, 2014, as filed February 12, 2015).*
10.13	Revolving Credit Agreement, dated as of December 9, 2010, Amended and Restated as of January 17, 2012 and Further Amended and Restated as of October 22, 2014, among AB and SCB LLC, as Borrowers; Bank of America, N.A., as Administrative Agent; Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., J.P. Morgan Securities LLC, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and HSBC Securities (USA) Inc., as Joint Lead Arrangers and Joint Book Managers, and the other lenders party thereto (incorporated by reference to Exhibit 10.01 to Form 8-K, as filed October 24, 2014).
10.14	Employment Agreement among Peter S. Kraus, AllianceBernstein Corporation, AB Holding and AB, dated as of June 21, 2012 (incorporated by reference to Exhibit 99.01 to Form 8-K/A, as filed June 26, 2012).*
10.15	Amendment No. 1 to Employment Agreement dated as of December 19, 2008 among Peter S. Kraus, AllianceBernstein Corporation, AB Holding and AB, dated as of June 21, 2012 (incorporated by reference to Exhibit 99.02 to Form 8-K, as filed June 21, 2012).*
10.16	Form of Award Agreement under the Special Option Program (incorporated by reference to Exhibit 10.05 to Form 10-K for the fiscal year ended December 31, 2008, as filed February 23, 2009).*
10.17	Employment Agreement among Peter S. Kraus, AllianceBernstein Corporation, AB Holding and AB, dated as of December 19, 2008 (incorporated by reference to Exhibit 99.02 to Form 8-K, as filed December 24, 2008).*
10.18	Amended and Restated 1997 Long Term Incentive Plan, as amended through November 28, 2007 (incorporated by reference to Exhibit 10.02 to Form 10-K for the fiscal year ended December 31, 2007, as filed February 25, 2008).*
10.19	Amended and Restated Issuing and Paying Agency Agreement, dated as of May 3, 2006 (incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarterly period ended March 31, 2006, as filed May 8, 2006).
10.20	Investment Advisory and Management Agreement for the General Account of AXA Equitable Life Insurance Company (incorporated by reference to Exhibit 10.5 to Form 10-K for the fiscal year ended December 31, 2004, as filed March 15, 2005).
10.21	AB Partners Plan of Repurchase adopted as of February 20, 2003 (incorporated by reference to Exhibit 10.2 to Form 10-K for the fiscal year ended December 31, 2002, as filed March 27, 2003).
10.22	Services Agreement dated as of April 22, 2001 between AB and AXA Equitable Life Insurance Company (incorporated by reference to Exhibit 10.19 to Form 10-K for the fiscal year ended December 31, 2001, as filed March 28, 2002).
10.23	Extendible Commercial Notes Dealer Agreement, dated as of December 14, 1999 (incorporated by reference to Exhibit 10.10 to the Form 10-K for the fiscal year ended December 31, 1999, as filed March 28, 2000).
10.24	Amended and Restated Investment Advisory and Management Agreement dated January 1, 1999 among AB Holding, Alliance Corporate Finance Group Incorporated, and AXA Equitable Life Insurance Company (incorporated by reference to Exhibit (a)(6) to Form 10-Q/A for the quarterly period ended September 30, 1999, as filed on September 28, 2000).
10.25	Amended and Restated Accounting, Valuation, Reporting and Treasury Services Agreement dated January 1, 1999 between AB Holding, Alliance Corporate Finance Group Incorporated, and AXA Equitable Life Insurance Company (incorporated by reference to Exhibit (a)(7) to the Form 10-Q/A for the quarterly period ended September 30, 1999, as filed September 28, 2000).
10.26	Alliance Capital Accumulation Plan (incorporated by reference to Exhibit 10.11 to Form 10-K for the fiscal year ended December 31, 1988, as filed March 31, 1989).*
12.01	AB Consolidated Ratio of Earnings to Fixed Charges in respect of the years ended December 31, 2015, 2014 and 2013.
21.01	Subsidiaries of AB.
23.01	Consent of PricewaterhouseCoopers LLP.
31.01	Certification of Mr. Kraus furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02	Certification of Mr. Weisenseel furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.01	Certification of Mr. Kraus furnished for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.02	Certification of Mr. Weisenseel furnished for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
*	Denotes a compensatory plan or arrangement

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AllianceBernstein L.P.

Date: February 11, 2016

By: /s/ Peter S. Kraus

Peter S. Kraus

Chairman of the Board and Chief Executive Officer

Pursuant to the requirements of the Exchange Act, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: February 11, 2016

/s/ John C. Weisenseel

John C. Weisenseel

Chief Financial Officer

Date: February 11, 2016

/s/ Edward J. Farrell

Edward J. Farrell

Chief Accounting Officer

Directors

/s/ Peter S. Kraus	/s/ Heidi S. Messer
Peter S. Kraus	Heidi S. Messer
Chairman of the Board	*Director*
/s/ Christopher M. Condron	/s/ Mark Pearson
Christopher M. Condron	Mark Pearson
Director	*Director*
/s/ Denis Duverne	/s/ Scott A. Schoen
Denis Duverne	Scott A. Schoen
Director	*Director*
/s/ Steven G. Elliott	/s/ Lorie A. Slutsky
Steven G. Elliott	Lorie A. Slutsky
Director	*Director*
/s/ Deborah S. Hechinger	/s/ Christian Thimann
Deborah S. Hechinger	Christian Thimann
Director	*Director*
/s/ Weston M. Hicks	/s/ Joshua A. Weinreich
Weston M. Hicks	Joshua A. Weinreich
Director	*Director*

SCHEDULE I I

AllianceBernstein L.P.

Valuation and Qualifying Account - Allowance for Doubtful Accounts

For the Three Years Ending December 31, 2015, 2014 and 2013

Description	Balance at Beginning of Period	Credited to Costs and Expenses	Deductions		Balance at End of Period
			(in thousands)		
For the year ended December 31, 2013	$ 844	$ —	$ 81	(a)	$ 763
For the year ended December 31, 2014	$ 763	$ —	$ 38	(b)	$ 725
For the year ended December 31, 2015	$ 725	$ 100	$ 273	(c)	$ 552

(a) Includes accounts written-off as uncollectible of $84 and a net addition to the allowance balance of $3.
(b) Includes accounts written-off as uncollectible of $28 and a net reduction to the allowance balance of $10.
(c) Includes accounts written-off as uncollectible of $273.

ALLIANCEBERNSTEIN CORPORATION
BY-LAWS[1]

ARTICLE I

OFFICES

Section 1. The registered office in the State of Delaware shall be in the City of Wilmington, County of New Castle.

Section 2. The corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. All meetings of the stockholders for the election of directors or for any other purpose may be held at such time and place, within or without the-State of Delaware, and shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual meetings of stockholders shall be held within 120 days after the close of each fiscal year at which they shall elect by a plurality vote a board of directors, and transact such other business before the meeting.

Section 3. Written notice of the annual meeting shall be given to each stockholder entitled to vote thereat at least ten days before the date of the meeting.

Section 4. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every election of directors a complete list of the stockholders entitled to vote at said election, arranged in alphabetical order with the residence of and the number of voting shares held by each. Such list shall be open at the place where said election is to be held for ten days, to the examination of any stockholder, and shall be produced and kept at the time and place of election during the whole time thereof, and subject to the inspection of any stockholder who may be present.

(1) Conformed copy with amendments through November 20, 2015.

Section 5. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the chairman of the board or the president and shall be called by the president or secretary at the request in writing of a majority of the total number of directors that the corporation would have at such time if there were no vacancies on the board (the "Entire Board"), or at the request in writing of stockholders owning a majority in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Written notice of a special meeting of stockholders, stating the time, place and object thereof, shall be given to each stockholder entitled to vote thereat, at least ten days before the date fixed for the meeting.

Section 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 8. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, all have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 9. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statute or of the certificate of incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 10. Each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period, and, except where the transfer books of the corporation have been closed or a date has been fixed as a record date for the determination of its stockholders entitled to vote, no share of stock shall be voted on at any election for directors which has been transferred on the books of the corporation within twenty days next preceding such election of directors.

ARTICLE III

DIRECTORS

Section 1. Until changed by the stockholders, the number of directors shall be seven. The directors shall be elected at the annual meeting of stockholders, except as provided in Section 2 of this Article, and each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

Section 2. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the stockholders, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced.

Section 3. The business of the corporation shall be managed by its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by the stockholders.

MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The board of directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 5. The first meeting of each newly elected board of directors shall be held at the same place as and immediately after the annual meeting of stockholders and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event such meeting is not held at such time and place, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the board of directors, or as shall be specified in a written waiver signed by all of the directors.

Section 6. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board.

Section 7. Special meetings of the board of directors may be called by the chairman of the board, the president or by the secretary on the written request of two directors. Written notice of special meetings of the board of directors shall be given to each director at least three days before the date of the meeting. Attendance at a meeting by a director shall be a conclusive waiver of any objections made by any person with respect to the notice given to such director.

Section 8. At all meetings of the board a majority of the Entire Board shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn

the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

COMMITTEES OF DIRECTORS

Section 9. The board of directors may, by resolution passed by a majority of the Entire Board, designate one or more committees, each committee to consist of two or more of the directors of the corporation, which, to the extent provided in the resolution, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors.

Section 10. The committees shall keep regular minutes of their proceedings and report the same to the board of directors when required.

COMPENSATION OF DIRECTORS

Section 11. The directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefore. Similarly, members of special or standing committees may be allowed compensation for attending committee meetings.

TELEPHONIC PARTICIPATION IN MEETINGS

Section 12. Members of the board of directors or any committee designated by the board of directors, may participate in a meeting of such board or committee through conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting will constitute presence in person at such meeting.

ARTICLE IV

NOTICES

Section 1. Notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice by mail shall be deemed to be given at the time when the same shall be mailed. Notice to directors may also be given by telegram or telephone.

Section 2. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these by-laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE V

OFFICERS

Section 1. The officers of the corporation shall be chosen by the board of directors and may include a chairman of the board, one or more vice chairmen of the board, a chief executive officer, a president, one or more vice presidents, a secretary and a treasurer. The board of directors may also choose one or more assistant secretaries and assistant treasurers. The board of directors may delegate the authority to elect or appoint any officer with a title junior to "Senior Vice President" to the chairman of the board. Two or more offices may be held by the same person, except that where the offices of chairman of the board and president or president and secretary are held by the same person, such person shall not hold any other office.

Section 2. The board of directors at its first meeting after each annual meeting of stockholders shall choose a president, one or more vice presidents, a secretary and a treasurer, none of whom need be a member of the board.

Section 3. The board of directors (or the chairman of the board as described in Section 1 of this Article V) may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

Section 5. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors (or the chairman of the board as described in Section 1 of this Article V) may be removed at any time . Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise shall be filled by the board of directors (or the chairman of the board as described in Section 1 of this Article V).

CHAIRMAN OF THE BOARD

Section 6. The chairman of the board shall preside at all meetings of the stockholders and the board of directors. He shall perform such other duties and have such other powers as the board of directors may from time to time prescribe. In the absence or disability of the chief executive officer, the chairman of the board shall exercise all of the powers and discharge all of the duties of the chief executive officer.

VICE CHAIRMEN OF THE BOARD

Section 7. The vice chairmen in order of their seniority, unless otherwise determined by the board of directors, shall, in the absence or disability of the chairman of the board, perform the duties and exercise the powers of the chairman of the board. They shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE CHIEF EXECUTIVE OFFICER

Section 8. The chief executive officer shall perform all of the duties and have all of the powers that are commonly incident to the office of chief executive. In the absence or disability of the chairman of the board and all vice chairmen, the chief executive officer (i) shall preside at all meetings of the stockholders, and (ii) if a member of the board of directors, shall preside at all meetings of the board of directors and shall otherwise exercise all of the powers and discharge all of the duties of the chairman of the board. The chief executive officer shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE PRESIDENT

Section 9. The president shall be ex officio a member of all standing committees, shall have general and active management of the business of the corporation. In the absence of the chairman of the board, all vice chairmen of the board and the chief executive officer, he (i) shall preside at all meetings of the stockholders, and (ii) if a member of the board of directors, shall preside at all meetings of the board of directors and shall otherwise exercise all of the powers and discharge all of the duties of the chairman of the board and of the chief executive officer. The president shall perform such other duties and have such other powers as the chief executive officer board of directors may from time to time prescribe.

THE EXECUTIVE VICE PRESIDENTS, SENIOR VICE PRESIDENTS, VICE PRESIDENTS AND ASSISTANT VICE PRESIDENTS

Section 10. The executive vice presidents, senior vice presidents, the vice presidents in order of their seniority, and then following, the assistant vice presidents in the order of their seniority, unless otherwise determined by the board of directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president. They shall perform such duties and have such other powers as the board of directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARIES

Section 11. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall keep in safe custody the seal of the corporation and, when authorized by the board of directors, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his signature or by the signature of the treasurer or an assistant secretary.

Section 12. The assistant secretaries in the order of their seniority, unless otherwise determined by the board of directors shall in the absence or disability of the secretary, perform

the duties and exercise the powers of the secretary. They shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

Section 13. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.

Section 14. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

Section 15. If required by the board of directors, he shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 16. The assistant treasurers in the order of their seniority, unless otherwise determined by the board of directors, shall in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. They shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE VI

CERTIFICATES OF STOCK

Section 1. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by, the chairman of the board or the president or any vice president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him in the corporation. If the corporation shall be authorized to issue more than one class of stock, the designations, preferences and relative, participating, optional or other special rights of each class and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class of stock.

Section 2. Where a certificate is signed (1) by a transfer agent or an assistant transfer agent or (2) by a transfer clerk acting on behalf of the corporation and a registrar, the signature of any such chairman of the board, president, vice president, treasurer, assistant treasurer, secretary or assistant secretary may be facsimile. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall

cease to be such officer or officers of the corporation, whether because of death, resignation or otherwise, before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be adopted by the corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation.

LOST CERTIFICATES

Section 3. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to give the corporation such indemnity as it may direct against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

TRANSFERS OF STOCK

Section 4. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

CLOSING OF TRANSFER BOOKS

Section 5. The board of directors may close the stock transfer books of the corporation for a period not exceeding fifty days preceding the date of any meeting of stockholders or the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect or for a period of not exceeding fifty days in connection with obtaining the consent of stockholders for any purpose. In lieu of closing the stock transfer books as aforesaid, the board of directors may fix in advance a date, not exceeding fifty days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend, or to receive any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, or to give such consent, and in such case such stockholders and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding

any transfer of any stock on the books of the corporation after any such record date fixed as aforesaid.

REGISTERED STOCKHOLDERS

Section 6. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall to be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

INDEMNIFICATION

Section 1. Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or a person of whom he is the legal representative is or was a director or officer of the corporation or is or was serving at the request of the corporation or for its benefit as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under and pursuant to any procedure specified in the General Corporation Law of the State of Delaware, as amended from time to time, against all expenses, liabilities and losses (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any by-law, agreement, vote of stockholders, provision of law or otherwise, as well as their rights under this Article.

Section 2. The board of directors may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the corporation would have the power to indemnify such person.

Section 3. The board of directors may from time to time adopt further by-laws with respect to indemnification and may amend these and such by-laws to provide at all times the fullest indemnification permitted by the General Corporation Law of the State of Delaware, as amended from time to time.

ARTICLE VIII

GENERAL PROVISIONS

DIVIDENDS

Section 1. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

CHECKS

Section 3. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

FISCAL YEAR

Section 4. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SEAL

Section 5. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE IX

AMENDMENTS

Section 1. These by-laws may be-altered or repealed at any regular meeting of the stockholders or of the board of directors or at any special meeting of the stockholders or of the board of directors if notice of such alteration or repeal be contained in the notice of such special meeting. No change of the time or place of the meeting for the election of directors shall be made within sixty days next before the day on which such meeting is to be held, and in case of any change of such time or place, notice thereof shall be given to each stockholder in person or by letter mailed to his last known post-office address at least twenty days before the meeting is held.

ALLIANCEBERNSTEIN 2015 INCENTIVE COMPENSATION AWARD PROGRAM

This AllianceBernstein 2015 Incentive Compensation Award Program (the **"Program"**) under the AllianceBernstein L.P. 2010 Long Term Incentive Plan, as amended (the "**2010 Plan**") has been adopted by the Compensation Committee (the **"Committee"**) of the Board of Directors (the **"Board"**) of AllianceBernstein Corporation, the general partner of AllianceBernstein L.P. (**"AB"**) and AllianceBernstein Holding L.P. (**"AB Holding"**). Any incentive compensation awards granted under the 2010 Plan shall be governed solely by the 2010 Plan document, this Program and the terms of any related award agreement.

The right to defer Awards hereunder shall be considered a separate plan within the Program. Such separate plan shall be referred to as the "**APCP Deferral Plan**." The APCP Deferral Plan is maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees (a "**Top Hat Employee**"). No one who is not a Top Hat Employee may defer compensation under the APCP Deferral Plan.

Any deferral or payment hereunder is subject to the terms of the Program and compliance with Section 409A of the Internal Revenue Code (the "**Code**") and the guidance issued thereunder ("**Section 409A**"), as interpreted by the Committee in its sole discretion. Although none of the Company, the Committee, their affiliates, and their agents make any guarantee with respect to the treatment of payments under the Program and shall not be responsible in any event with regard to the Program's compliance with Section 409A, the payments contained herein are intended to be exempt from Section 409A or otherwise comply with the requirements of Section 409A, and the Program shall be limited, construed and interpreted in accordance with the foregoing. None of the Company, the Committee, any of their affiliates, and any of their agents shall have any liability to any Participant or Beneficiary as a result of any tax, interest, penalty or other payment required to be paid or due pursuant to, or because of a violation of, Section 409A.

ARTICLE 1

DEFINITIONS

Section 1.01 *Definitions*. Whenever used in the Program, each of the following terms shall have the meaning for that term set forth below:

(a) "**AB Holding Units**": units representing assignments of beneficial ownership of limited partnership interests in AB Holding.

(b) "**Account**": a separate bookkeeping account established for each Participant for each Award, with such Award, as described in Article 2, credited to the Account maintained for such Award.

(c) "**Award**": any award granted subject to the Program.

(d) **"Award Agreement"**: an agreement between a Participant and a Company setting forth the terms of an Award.

(e) "**Beneficiary**": one or more Persons, trusts, estates or other entities, designated in accordance with Section 6.04(a), that are entitled to receive, in the event of a Participant's death, any amount or property to which the Participant would otherwise have been entitled under the Program.

(f) "**Beneficiary Designation Form**": the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to designate one or more Beneficiaries.

(g) "**Board**": the Board of Directors of the general partner of AB Holding and AB.

(h) **"Cause"**: shall have the meaning assigned to it in the Award Agreement. To the extent that the term "Cause" is not defined in the Award Agreement, all references to the term "Cause" herein shall be inapplicable.

(i) "**Code**": the Internal Revenue Code of 1986, as amended from time to time.

(j) "**Committee**": the Board or one or more committees of the Board designated by the Board to administer the Program.

(k) "**Company**": AB Holding, AB and any corporation or other entity of which AB Holding or AB (i) has sufficient voting power (not depending on the happening of a contingency) to elect at least a majority of its board of directors or other governing body, as the case may be, or (ii) otherwise has the power to direct or cause the direction of its management and policies.

(l) "**Deferral Election Form**": the form(s) established from time to time by the Committee that a Participant completes, signs and returns to the Committee to elect to defer the distribution of an Award pursuant to Article 5.

(m) "**Disability**": shall have the meaning assigned to it in the Award Agreement. To the extent that the term "Disability" is not defined in the Award Agreement, all references to the term "Disability" herein shall be inapplicable.

(n) "**Effective Date**": the date Awards are approved by the Committee.

(o) **"Eligible Employee":** an active employee of a Company whom the Committee determines to be eligible for an Award. If the Committee determines that Awards made for the subsequent calendar year shall be eligible for deferral, the Committee or its designee shall specify in writing prior to such calendar year those Eligible Employees, or the methodology used to determine those Eligible Employees, who shall be eligible to participate in the APCP Deferral Plan for that calendar year and so notify those Eligible Employees prior to the end of the then calendar year or such later date permitted by Section 409A. Any advance deferral election made by such Eligible Employee is made on the condition that such Eligible Employee satisfies the conditions established by the Committee and, if not, such deferral election shall be null and void ab initio.

(p) "**ERISA**": the Employee Retirement Income Security Act of 1974, as amended.

(q) "**Fair Market Value**": with respect to an AB Holding Unit as of any given date and except as otherwise expressly provided by the Board or the Committee, the closing price of an AB Holding Unit on such date as published in the Wall Street Journal or, if no sale of AB Holding Units occurs on the New York Stock Exchange on such date, the closing price of an AB Holding Unit on such exchange on the last preceding day on which such sale occurred as published in the Wall Street Journal.

(r) "**Participant**": any Eligible Employee of any Company who has been designated by the Committee to receive an Award for any calendar year and who thereafter remains employed by a Company.

(s) "**Person**": any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

(t) "**Program**": the AllianceBernstein 2015 Incentive Compensation Award Program, as amended.

(u) "**Restricted Unit**": a right to receive an AB Holding Unit in the future, as accounted for in an Account, subject to vesting and any other terms and conditions established hereunder or by the Committee.

(v) "**Termination of Employment**": the Participant is no longer performing services as an employee of any Company, other than pursuant to a severance or special termination arrangement, and has had a "separation from service" within the meaning of Section 409A.

(w) "**Unforeseeable Emergency**": a severe financial hardship to a Participant or former Participant within the meaning of Section 409A resulting from (i) an illness or accident of the Participant or former Participant, the spouse of the Participant or former Participant, or a dependent (as defined in Code Section 152, without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)) of the Participant or former Participant, (ii) loss of property of the Participant or former Participant due to casualty or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or former Participant, all as determined in the sole discretion of the Committee.

ARTICLE 2

PARTICIPATION

Section 2.01 *Eligibility*. The Committee, in its sole discretion, will designate those Eligible Employees employed by a Company who will receive Awards with respect to a calendar year. In making such designation, the Committee may consider any criteria that it deems relevant, which may include an Eligible Employee's position with a Company and the manner in which the Eligible Employee is expected to contribute to the future growth and success of the Company. The Committee may vary the amount of Awards to a particular Participant from year to year and may determine that a Participant who received an Award for a particular year is not eligible to receive any Award with respect to any subsequent year. An Eligible Employee who is a member of the Committee during a particular year shall be eligible to receive an Award for that year only if the Award is approved by the majority of the other members of the Committee.

Section 2.02 *Grant of Awards*. The number of Restricted Units constituting an Award will be determined by the Committee in its sole and absolute discretion and, in the event the Committee elects to designate Awards by dollar amount, such amount will be converted into a number of Restricted Units as of the Effective Date for such Award based on the Fair Market Value of an AB Holding Unit on such Effective Date and will be credited to the Participant's Account as of such Effective Date. From and after such Effective Date, the Award shall be treated for all purposes as a grant of that number of Restricted Units determined pursuant to the preceding sentence. Awards vest in accordance with the terms set forth in the Award Agreement, and any such vested Award will be subject to the rules on distributions and deferral elections set forth below in Articles 4 and 5, respectively. As soon as reasonably practicable after the end of each calendar year, a statement shall be provided to each such Participant indicating the current balance in each Account maintained for the Participant as of the end of the calendar year.

Section 2.03 *Distributions on AB Holding Units*.

(a) When a regular cash distribution is made with respect to AB Holding Units, within 70 days thereafter, a distribution will be made to each Participant in an amount (the "**Equivalent Distribution Amount**") equal to the number of such Restricted Units (whether vested or unvested) credited to the Participant's Account as of the record date for such cash distribution times the value of the regular cash distribution per AB Holding Unit.

(b) If an Award is designated by dollar amount, fractional unit amounts remaining after conversion under Section 2.02 may be used for any purposes for the benefit of the Participant as determined by the Committee in its sole discretion, including but not limited to the payment of taxes with respect to an Award or, if the Committee so elects, such fractional unit amounts may be cancelled.

(c) AB Holding Units shall be subject to adjustment in accordance with Section 4(c) of the 2010 Plan (or such applicable successor provision).

ARTICLE 3

VESTING AND FORFEITURES

Section 3.01 *Vesting.* Terms related to vesting of Awards are set forth in the Award Agreement.

Section 3.02 *Forfeitures*. Terms related to forfeiture of Awards are set forth in the Award Agreement.

ARTICLE 4

DISTRIBUTIONS

Section 4.01 *General*. No Award will be distributed unless such distribution is permitted under this Article 4. The distribution of the vested portion of an Award shall be made in AB Holding Units. Any portion of an Award that is not vested will not be distributed hereunder.

Section 4.02 *Distributions If Deferral Election Is Not In Effect.*

(a) Unless a Participant elects otherwise on a Deferral Election Form under Sections 5.01 or 5.02 (if such election is permitted by the Committee), or unless otherwise provided in the Award Agreement, a Participant who has not incurred a Disability or a Termination of Employment will have the vested portion of his or her Award distributed to him or her within 70 days after such portion vests under the applicable vesting provisions set forth in the Award Agreement.

(b) Unless a Participant elects otherwise on a Deferral Election Form under Sections 5.01 or 5.02 (if such election is permitted by the Committee), or unless otherwise provided in the Award Agreement, a Participant who has had a Disability or a Termination of Employment will have the balance of any vested Award not distributed under Section 4.02(a) distributed to him or her as follows:

(i) In the event of a Participant's Disability, a distribution will be made to the Participant within 70 days following the Participant's Disability.

(ii) In the event of a Participant's Termination of Employment due to the Participant's death, a distribution will be made to the Participant's Beneficiary within 70 days following the 180th day anniversary of the death.

(iii) In the event of a Participant's Termination of Employment for any reason other than Disability or death, distributions due with respect to the Award, if any, shall be made in the same manner as prescribed in Section 4.02(a) above.

Section 4.03 *Distributions If Deferral Election Is In Effect.*

(a) Subject to Section 4.03(b), in the event that a deferral election is in effect with respect to a Participant pursuant to Sections 5.01 or 5.02 and the Participant has not incurred a Disability but has a Termination of Employment for any reason other than death, the vested portion of such Participant's Award will be distributed to him within 70 days following the benefit commencement date specified on such Deferral Election Form.

(b) In the event that a Deferral Election Form is in effect with respect to a Participant pursuant to Sections 5.01 or 5.02 and such Participant subsequently incurs a Termination of Employment due to death, the elections made by such Participant in his or her Deferral Election Form shall be disregarded, and the Participant's Award will be distributed to his or her Beneficiary within 70 days following the 180th day anniversary of the death.

(c) In the event that a Deferral Election is in effect with respect to a Participant pursuant to Section 5.01 or 5.02 and such Participant incurs a subsequent Disability, distribution will be made in accordance with such Participant's election in his or her Deferral Election Form.

Section 4.04 *Unforeseeable Emergency.* Notwithstanding the foregoing to the contrary, if a Participant or former Participant experiences an Unforeseeable Emergency, such individual may petition the Committee to (i) suspend any deferrals under a Deferral Election Form submitted by such individual and/or (ii) receive a partial or full distribution of a vested Award deferred by such individual. The Committee shall determine, in its sole discretion, whether to accept or deny such petition, and the amount to be distributed, if any, with respect to such Unforeseeable Emergency; *provided, however*, that such amount may not exceed the amount necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the individual's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), and by suspension of the individual's deferral(s) under the Program.

Section 4.05 *Documentation.* Each Participant and Beneficiary shall provide the Committee with any documentation required by the Committee for purposes of administering the Program.

ARTICLE 5

DEFERRALS OF COMPENSATION

Section 5.01 *Initial Deferral Election*.

(c) The Committee may permit deferral elections of Awards in its sole and absolute discretion in accordance with procedures established by the Committee for this purpose from time to time. If so permitted, a Participant may elect in writing on a Deferral Election Form to have the portion of the Award which vests distributed as of a permitted distribution commencement date elected by the Participant that occurs following the date that such Award becomes or is scheduled to become 100% vested under the applicable vesting period set forth in the Award Agreement and specifying among the forms of distribution alternatives permitted by the Committee and specified on the Deferral Election Form. In addition, if permitted by the Committee and specified on the Deferral Election Form, a Participant who elects a distribution commencement date may also elect that if a Termination of Employment occurs prior to such distribution commencement date, the distribution commencement date shall be six months after the Termination of Employment. A Participant may make the deferral election with respect to all or a portion of an Award as permitted by the Committee. Any such distribution shall be made in such form(s) as permitted by the Committee at the time of deferral (including, if permitted by the Committee, a single distribution or distribution of a substantially equal number of AB Holding Units over a period of up to ten years) as elected by the Participant. If the Participant fails to properly fully complete and file with the Committee (or its designee) the Deferral Election Form on a timely basis, the Deferral Election Form and the deferral election shall be null and void. If deferrals are permitted by the Committee and the Participant is eligible to make a deferral election, such Deferral Election Form must be submitted to the Committee (or its delegate) no later than the last day of the calendar year prior to the Effective Date of an Award, except that a Deferral Election Form may also be submitted to the Committee (or its delegate) in accordance with the provisions set forth in Section 5.01(b) and (c).

(d) In the case of the first year in which a Participant becomes eligible to participate in the Program and with respect to services to be performed subsequent to such deferral election, a Deferral Election Form may be submitted within 30 days after the date the Participant becomes eligible to participate in the Program.

(e) A Deferral Election Form may be submitted at such other time or times as permitted by the Committee in accordance with Section 409A of the Code.

Section 5.02 *Changes in Time and Form of Distribution*. The elections set forth in a Participant's Deferral Election Form governing the payment of the vested portion of an Award pursuant to Section 5.01 shall be irrevocable as to the Award covered by such election; *provided, however*, if permitted by the Committee, a Participant shall be permitted to change the time and form of distribution of such Award by making a subsequent election on a Deferral Election Form supplied by the Committee for this purpose in accordance with procedures established by the Committee from time to time, provided that any such subsequent election does not take effect for at least 12 months, is made at least 12 months prior to the scheduled distribution commencement date for such Award and the subsequent election defers commencement of the distribution for at

least five years from the date such payment otherwise would have been made. With regard to any installment payments, each installment thereof shall be deemed a separate payment for purposes of Section 409A, provided, however, the Committee may limit the ability to treat the deferral as a separate installment for purposes of changing the time and form of payment. Whenever a payment under the Program specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Committee.

ARTICLE 6

ADMINISTRATION; MISCELLANEOUS

Section 6.01 *Administration*. The Program is intended to constitute an unfunded, non-qualified incentive plan within the meaning of ERISA and shall be administered by the Committee as such. The APCP Deferral Plan is intended to be an unfunded, non-qualified deferred compensation plan within the meaning of ERISA and shall be administered by the Committee as such. The right of any Participant or Beneficiary to receive distributions under the Program shall be as an unsecured claim against the general assets of AB. Notwithstanding the foregoing, AB, in its sole discretion, may establish a "rabbi trust" or separate custodial account to pay benefits hereunder. The Committee shall have the full power and authority to administer and interpret the Program and to take any and all actions in connection with the Program, including, but not limited to, the power and authority to prescribe all applicable procedures, forms and agreements. The Committee's interpretation and construction of the Program shall be conclusive and binding on all Persons.

Section 6.02 *Authority to Vary Terms of Awards*. The Committee shall have the authority to grant Awards other than as described herein, subject to such terms and conditions as the Committee shall determine in its discretion.

Section 6.03 *Amendment, Suspension and Termination of the Program*. The Committee reserves the right at any time, without the consent of any Participant or Beneficiary and for any reason, to amend, suspend or terminate the Program in whole or in part in any manner; provided that no such amendment, suspension or termination shall reduce the balance in any Account prior to such amendment, suspension or termination or impose additional conditions on the right to receive such balance, except as required by law.

Section 6.04 *General Provisions*.

(a) To the extent provided by the Committee, each Participant may file with the Committee a written designation of one or more Persons, including a trust or the Participant's estate, as the Beneficiary entitled to receive, in the event of the Participant's death, any amount or property to which the Participant would otherwise have been entitled under the Program. A Participant may, from time to time, revoke or change his or her Beneficiary designation by filing a new designation with the Committee. If (i) no such Beneficiary designation is in effect at the time of a Participant's death, (ii) no designated Beneficiary survives the Participant, or (iii) a designation on file is not legally effective for any reason, then the Participant's estate shall be the Participant's Beneficiary.

(b) Neither the establishment of the Program nor the grant of any Award or any action of any Company, the Board, or the Committee pursuant to the Program, shall be held or construed to confer upon any Participant any legal right to be continued in the employ of any Company. Each Company expressly reserves the right to discharge any Participant without liability to the Participant or any Beneficiary, except as to any rights which may expressly be conferred upon the Participant under the Program.

(c) An Award hereunder shall not be treated as compensation, whether upon such Award's grant, vesting, payment or otherwise, for purposes of calculating or accruing a benefit under any other employee benefit plan except as specifically provided by such other employee benefit plan.

(d) Nothing contained in the Program, and no action taken pursuant to the Program, shall create or be construed to create a fiduciary relationship between any Company and any other person.

(e) Neither the establishment of the Program nor the granting of an Award hereunder shall be held or construed to create any rights to any compensation, including salary, bonus or commissions, nor the right to any other Award or the levels thereof under the Program.

(f) No Award or right to receive any payment may be transferred or assigned, pledged or otherwise encumbered by any Participant or Beneficiary other than by will, by the applicable laws of descent and distribution or by a court of competent jurisdiction. Any other attempted assignment or alienation of any payment hereunder shall be void and of no force or effect.

(g) If any provision of the Program shall be held illegal or invalid, the illegality or invalidity shall not affect the remaining provisions of the Program, and the Program shall be construed and enforced as if the illegal or invalid provision had not been included in the Program.

(h) Any notice to be given by the Committee under the Program to any party shall be in writing addressed to such party at the last address shown for the recipient on the records of any Company or subsequently provided in writing to the Committee. Any notice to be given by a party to the Committee under the Program shall be in writing addressed to the Committee at the address of AB.

(i) Section headings herein are for convenience of reference only and shall not affect the meaning of any provision of the Program.

(j) The Program shall be governed and construed in accordance with the laws of the State of New York.

(k) There shall be withheld from each payment made pursuant to the Program any tax or other charge required to be withheld therefrom pursuant to any federal, state or local law. A Company by whom a Participant is employed shall also be entitled to withhold from any compensation payable to a Participant any tax imposed by Section 3101 of the Code, or any successor provision, on any amount credited to the Participant; *provided, however*, that if for any reason the

Company does not so withhold the entire amount of such tax on a timely basis, the Participant shall be required to reimburse AB for the amount of the tax not withheld promptly upon AB's request therefore. With respect to Restricted Units: (i) in the event that the Committee determines that any federal, state or local tax or any other charge is required by law to be withheld with respect to the Restricted Units or the vesting of Restricted Units (a "**Withholding Amount**") then, in the discretion of the Committee, either (X) prior to or contemporaneously with the delivery of AB Holding Units to the recipient, the recipient shall pay the Withholding Amount to AB in cash or in vested AB Holding Units already owned by the recipient (which are not subject to a pledge or other security interest), or a combination of cash and such AB Holding Units, having a total fair market value, as determined by the Committee, equal to the Withholding Amount; (Y) AB shall retain from any vested AB Holding Units to be delivered to the recipient that number of AB Holding Units having a fair market value, as determined by the Committee, equal to the Withholding Amount (or such portion of the Withholding Amount that is not satisfied under clause (X) as payment of the Withholding Amount; or (Z) if AB Holding Units are delivered without the payment of the Withholding Amount pursuant to either clause (X) or (Y), the recipient shall promptly pay the Withholding Amount to AB on at least seven business days' notice from the Committee either in cash or in vested AB Holding Units owned by the recipient (which are not subject to a pledge or other security interest), or a combination of cash and such AB Holding Units, having a total fair market value, as determined by the Committee, equal to the Withholding Amount, and (ii) in the event that the recipient does not pay the Withholding Amount to AB as required pursuant to clause (i) or make arrangements satisfactory to AB regarding payment thereof, AB may withhold any unpaid portion thereof from any amount otherwise due the recipient from AB.

ALLIANCEBERNSTEIN 2015 DEFERRED CASH COMPENSATION PROGRAM

This AllianceBernstein 2015 Deferred Cash Compensation Program (the **"Program"**), under the AllianceBernstein 2015 Incentive Compensation Award Program (the **"ICAP"**), has been adopted by the Compensation Committee (the **"Committee"**) of the Board of Directors (the **"Board"**) of AllianceBernstein Corporation, the general partner of AllianceBernstein L.P. (**"AB"**) and AllianceBernstein Holding L.P. (**"AB Holding"**). Any cash awards granted under this Program shall be governed solely by this Program document, the ICAP and the terms of any related award agreement.

ARTICLE 1

DEFINITIONS

Section 1.01 *Definitions*. Whenever used in the Program, each of the following terms shall have the meaning for that term set forth below:

(a) "**Account**": a separate bookkeeping account established for each Participant for each Award, with such Award, as described in Article 2, credited to the Account maintained for such Award.

(b) "**Award**": any award granted subject to the Program.

(c) **"Award Agreement"**: an agreement between a Participant and a Company setting forth the terms of an Award.

(d) "**Beneficiary**": one or more Persons, trusts, estates or other entities, designated in accordance with Section 5.04(a), that are entitled to receive, in the event of a Participant's death, any amount or property to which the Participant would otherwise have been entitled under the Program.

(e) "**Beneficiary Designation Form**": the form established from time to time by the Committee that a Participant completes, signs and returns to the Company to designate one or more Beneficiaries.

(f) "**Board**": the Board of Directors of the general partner of AB Holding and AB.

(g) **"Cause"**: shall have the meaning assigned to it in the Award Agreement. To the extent that the term "Cause" is not defined in the Award Agreement, all references to the term "Cause" herein shall be inapplicable.

(h) "**Code**": the Internal Revenue Code of 1986, as amended from time to time.

(i) "**Committee**": the Compensation Committee of the Board or one or more other committees of the Board designated by the Board to administer the Program; or if no such committee exists or is designated, the Board.

(j) "**Company**": AB Holding, AB and any corporation or other entity of which AB Holding or AB currently has sufficient voting power to elect at least a majority of its board of directors or other governing body, as the case may be, or (ii) otherwise has the power to direct or cause the direction of its management and policies.

(k) "**Disability**": shall have the meaning assigned to it in the Award Agreement. To the extent that the term "Disability" is not defined in the Award Agreement, all references to the term "Disability" herein shall be inapplicable.

(l) "**Effective Date**": the date Awards are approved by the Committee.

(m) **"Eligible Employee":** an active employee of a Company who the Committee determines to be eligible for an Award.

(n) "**ERISA**": the Employee Retirement Income Security Act of 1974, as amended.

(o) "**Participant**": any Eligible Employee of any Company who has been designated by the Committee to receive an Award for any calendar year and who thereafter remains employed by a Company.

(p) "**Person**": any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

(q) "**Program**": the AllianceBernstein 2015 Deferred Cash Compensation Program, as amended.

(r) "**Termination of Employment**": the Participant is no longer performing services as an employee of any Company, other than pursuant to a severance or special termination arrangement, and has had a "separation from service" within the meaning of Section 409A of the Code.

ARTICLE 2

PARTICIPATION

Section 2.01 *Eligibility*. The Committee, in its sole discretion, will designate those Eligible Employees who will receive Awards with respect to a calendar year. In making such designation, the Committee may consider any criteria that it deems relevant, which may include an Eligible Employee's position with a Company and the manner in which the Eligible Employee is expected to contribute to the future growth and success of the Company. The Committee may vary the amount of Awards to a particular Participant from year to year and may determine that a Participant who received an Award for a particular year is not eligible to receive any Award with respect to any subsequent year. An Eligible Employee who is a member of the Committee during a particular year shall be eligible to receive an Award for that year only if the Award is approved by the majority of the other members of the Committee.

Section 2.02 *Grant of Awards*. The amount of cash constituting an Award will be determined by the Committee in its sole and absolute discretion in U.S. dollars and will be credited to the Participant's Account as of such Effective Date. If the Participant is based outside the United States, such amount will be converted into the local currency of the Participant as of the Effective Date for such Award based on the exchange rates on such Effective Date; from and after such Effective Date, the Award shall be treated for all purposes as a grant in that currency. Awards vest in accordance with the terms set forth in the Award Agreement, and any such vested Award will be subject to the rules on distributions set forth below in Articles 4 and 5, respectively. As soon as reasonably practicable after the end of each calendar year, a statement shall be provided to each such Participant indicating the current balance in each Account maintained for the Participant as of the end of the calendar year.

Section 2.03 *Interest*. Interest on Awards will be accrued monthly based on AB's monthly weighted average cost of funds. The return will be nominal. The interest earned will be credited to the Participant's Account balance annually.

ARTICLE 3

VESTING AND FORFEITURES

Section 3.01 *Vesting.* Terms related to vesting of Awards are set forth in the Award Agreement.

Section 3.02 *Forfeitures*. Terms related to forfeiture of Awards are set forth in the Award Agreement.

ARTICLE 4

DISTRIBUTIONS

Section 4.01 *General*. No Award will be distributed unless such distribution is permitted under this Article 4. The distribution of the vested portion of an Award shall be made in cash in the local currency of the Participant. Any portion of an Award that is not vested will not be distributed hereunder.

Section 4.02 *Distributions.*

(a) Unless otherwise provided in the Award Agreement, a Participant who has not incurred a Disability or a Termination of Employment will have the vested portion of his or her Award distributed to him or her within 70 days after such portion vests under the applicable vesting provisions set forth in the Award Agreement.

(b) Unless otherwise provided in the Award Agreement, a Participant who has had a Disability or a Termination of Employment will have the balance of any vested Award not distributed under Section 4.02(a) distributed to him or her as follows:

(i) In the event of a Participant's Disability, a distribution will be made to the Participant within 70 days following the Participant's Disability.

(ii) In the event of a Participant's Termination of Employment due to the Participant's death, a distribution will be made to the Participant's Beneficiary within 70 days following the 180th day anniversary of the death.

(iii) In the event of a Participant's Termination of Employment for any reason other than Disability or death, distributions due with respect to the Award, if any, shall be made in the same manner as prescribed in Section 4.02(a) above.

Section 4.03 *Documentation.* Each Participant and Beneficiary shall provide the Committee with any documentation required by the Committee for purposes of administering the Program.

ARTICLE 5

ADMINISTRATION; MISCELLANEOUS

Section 5.01 *Administration*. To the extent a Participant is a U.S. taxpayer or receives U.S. source income, the Program is intended to constitute an unfunded, non-qualified incentive plan within the meaning of ERISA and shall be administered by the Committee as such. The right of any Participant or Beneficiary to receive distributions under the Program shall be as an unsecured claim against the general assets of AB. Notwithstanding the foregoing, AB, in its sole discretion, may establish a "rabbi trust" or separate custodial account to pay benefits hereunder. The Committee shall have the full power and authority to administer and interpret the Program and to take any and all actions in connection with the Program, including, but not limited to, the power and authority to prescribe all applicable procedures, forms and agreements. The Committee's interpretation and construction of the Program shall be conclusive and binding on all Persons.

Section 5.02 *Authority to Vary Terms of Awards*. The Committee shall have the authority to grant Awards other than as described herein, subject to such terms and conditions as the Committee shall determine in its discretion.

Section 5.03 *Amendment, Suspension and Termination of the Program*. The Committee reserves the right at any time, without the consent of any Participant or Beneficiary and for any reason, to amend, suspend or terminate the Program in whole or in part in any manner; provided that no such amendment, suspension or termination shall reduce the balance in any Account prior to such amendment, suspension or termination or impose additional conditions on the right to receive such balance, except as required by law.

Section 5.04 *General Provisions*.

(a) To the extent provided by the Committee, each Participant may file with the Committee a written designation of one or more Persons, including a trust or the Participant's estate, as the Beneficiary entitled to receive, in the event of the Participant's death, any amount or property to which the Participant would otherwise have been entitled under the Program. A Participant may, from time to time, revoke or change his or her Beneficiary designation by filing a new designation with the Committee. If (i) no such Beneficiary designation is in effect at the time of a Participant's death, (ii) no designated Beneficiary survives the Participant, or (iii) a designation on file is not legally effective for any reason, then the Participant's estate shall be the Participant's Beneficiary.

(b) Neither the establishment of the Program nor the grant of any Award or any action of any Company, the Board or the Committee pursuant to the Program, shall be held or construed to confer upon any Participant any legal right to be continued in the employ of any Company. Each Company expressly reserves the right to discharge any Participant without liability to the Participant or any Beneficiary, except as to any rights which may expressly be conferred upon the Participant under the Program.

(c) An Award hereunder shall not be treated as compensation, whether upon such Award's grant, vesting, payment or otherwise, for purposes of calculating or accruing a benefit under any other employee benefit plan except as specifically provided by such other employee benefit plan.

(d) Nothing contained in the Program, and no action taken pursuant to the Program, shall create or be construed to create a fiduciary relationship between any Company and any other Person.

(e) Neither the establishment of the Program nor the granting of an Award hereunder shall be held or construed to create any rights to any compensation, including salary, bonus or commissions, nor the right to any other Award or the levels thereof under the Program.

(f) No Award or right to receive any payment may be transferred or assigned, pledged or otherwise encumbered by any Participant or Beneficiary other than by will, by the applicable laws of descent and distribution or by a court of competent jurisdiction. Any other attempted assignment or alienation of any payment hereunder shall be void and of no force or effect.

(g) If any provision of the Program shall be held illegal or invalid, the illegality or invalidity shall not affect the remaining provisions of the Program, and the Program shall be construed and enforced as if the illegal or invalid provision had not been included in the Program.

(h) Any notice to be given by the Committee under the Program to any party shall be in writing addressed to such party at the last address shown for the recipient on the records of any Company or subsequently provided in writing to the Committee. Any notice to be given by a party to the Committee under the Program shall be in writing addressed to the Committee at the address of AB.

(i) Section headings herein are for convenience of reference only and shall not affect the meaning of any provision of the Program.

(j) To the extent not preempted by ERISA, the Program shall be governed and construed in accordance with the laws of the State of New York.

(k) There shall be withheld from each payment made pursuant to the Program any tax or other charge required to be withheld therefrom pursuant to any federal, state or local law. A Company by whom a Participant is employed shall also be entitled to withhold from any compensation payable to a Participant any tax imposed by Section 3101 of the Code, or any successor provision, on any amount credited to the Participant; *provided, however*, that if for any reason the Company does not so withhold the entire amount of such tax on a timely basis, the Participant shall be required to reimburse AB for the amount of the tax not withheld promptly upon AB's request therefore.

ALLIANCEBERNSTEIN
INCENTIVE COMPENSATION AWARD PROGRAM, DEFERRED CASH COMPENSATION PROGRAM AND 2010 LONG TERM INCENTIVE PLAN

AWARD AGREEMENT FOR 2015 AWARDS

AWARD AGREEMENT, dated as of December 31, 2015, among AllianceBernstein L.P. (together with its subsidiaries, "**AB**"), AllianceBernstein Holding L.P. ("**AB Holding**") and <PARTC_NAME> ("**Participant**"), an employee of AB.

WHEREAS, the Compensation Committee ("**Committee**" or "**Administrator**") of the Board of Directors ("**Board**") of AllianceBernstein Corporation ("**Corporation**"), pursuant to the AllianceBernstein 2015 Incentive Compensation Award Program ("**Incentive Compensation Program**") and the AllianceBernstein 2010 Long Term Incentive Plan, as amended ("**2010 Plan**" and, together with the Incentive Compensation Program, the "**Plans**"), copies of which have been delivered electronically to the Participant, has granted to the Participant an award ("**Award**") consisting of units representing assignments of the beneficial ownership of limited partnership interests in AB Holding ("**AB Holding Units**") subject to certain restrictions described herein ("**Restricted Units**"), and authorized the execution and delivery of this Award Agreement; and

WHEREAS, the Committee has granted to the Participant the right to receive a portion of the Award in cash instead of Restricted Units, as contemplated in the AllianceBernstein 2015 Deferred Cash Compensation Program ("**Deferred Cash Program**");

NOW, THEREFORE, in accordance with the grant of the Award, and as a condition thereto, AB, AB Holding and the Participant agree as follows:

1. Grant. Subject to and under the terms and conditions set forth in this Award Agreement and the Plans, the Committee hereby awards to the Participant the amount of deferred cash ("**Deferred Cash**") elected by the Participant and as set forth in Section 2 of Schedule A and the number of Restricted Units set forth in Section 3 of Schedule A, together with the right to receive interest on Deferred Cash, if elected, as specified in Section 2 below and regular cash distributions with regard to the underlying AB Holding Units pursuant to Section 2.03(a) of the Incentive Compensation Program. The aggregate dollar amount of the Award (including Deferred Cash and Restricted Units) was determined by the Committee on December 11, 2015, with the number of Restricted Units being based on the closing price of an AB Holding Unit on that date.

2. Earnings on Deferred Cash. Interest on Deferred Cash, if elected, will be accrued monthly based on AB's monthly weighted average cost of funds. The return will be nominal. The interest earned will be credited to the Participant's Deferred Cash balance annually.

3. Vesting and Distribution. The Deferred Cash and Restricted Units shall vest in accordance with Section 5 of Schedule A so long as the Participant remains employed by AB on each vesting anniversary, except as specifically set forth in Section 7 of this Award Agreement. Once the Deferred Cash, if elected, has vested, cash shall be distributed to the Participant as specified in Article 4 of the Deferred Cash Program. Once Restricted Units have vested, AB Holding Units shall be distributed to the Participant as specified in Article 4 of the Incentive Compensation Program.

4. Notice of Resignation. As a condition of receiving the Award, the Participant agrees that in the event of the Participant's resignation, the Participant shall provide AB with prior written notice of the Participant's intent to resign based on the schedule set forth below. Notwithstanding the terms of any other agreement between the Participant and AB (or its subsidiaries), including, but not limited to, any employment agreement, which agreement shall be deemed amended by this Award Agreement, the Participant will continue to be eligible for base salary or draw, available health and welfare benefits, and quarterly distribution payments on unvested Restricted Units, so long as the Participant's employment with AB continues during the notice period. Once the Participant has provided AB with prior written notice of the Participant's intent to resign, AB may, in its sole discretion, either shorten the Participant's notice period at any time during the notice period in accordance with Section 8 of this Award Agreement or require the Participant to discontinue or limit regular duties, including prohibiting the Participant from further entry to any of AB's premises. (In either case, the Participant shall be treated as having informed AB of his or her intent to resign and continue to be obligated to satisfy the requirements of Section 7(c) of this Award Agreement.) If AB shortens the Participant's notice period, the Participant's resignation shall become effective as of the end of the shortened notice period and, thereafter, the Participant shall not receive salary or draw, health and welfare benefits, quarterly distribution payments on unvested Restricted Units, or any Restricted Units or Deferred Cash that otherwise would have vested in accordance with Section 5 of Schedule A. The notice period shall be as follows:

Senior Vice President or above:	90 days
Vice President:	60 days
Assistant Vice President or below:	30 days

5. Covenants. As an additional condition of receiving the Award, the Participant agrees to the following covenants and remedies for failure to comply:

(a) Competition. At no time while employed by AB (including any applicable notice period) shall the Participant provide Competing Services, in any capacity, whether as an employee, consultant, independent contractor, owner, partner, shareholder, director or otherwise, to any Direct Competitor; provided, however, that nothing herein shall prevent the Participant from being a passive owner of not more than 5% of the outstanding equity of any class of securities of an entity that is publicly traded and that owns or may acquire any corporation or business that competes with AB. "**Competing Services**" means services provided to a Direct Competitor that involve (i) the direct or indirect solicitation (including through

financial intermediaries or consultants) of actual or prospective clients of AB with respect to investment management or research products or services; (ii) the creation, management or maintenance (or providing material support for, or managing or supervising, the creation, management or maintenance) of an investment management or research product or service that competes directly with a significant investment management or research product or service then offered or provided by AB or that AB intends to offer or provide as part of a Planned Business; or (iii) the Participant functioning in a senior executive, operational, administrative, financial, advisory or consulting role, which is the same as or substantially similar to the Participant's role with AB. "**Direct Competitor**" means a business that offers or provides products or services that compete directly with products or services offered or provided by AB or that AB intends to offer or provide as part of a Planned Business, where the business activities of the Direct Competitor either constitute or can reasonably be expected to constitute meaningful competition for AB. "**Planned Business**" means a business: (i) that the Participant is aware that AB plans to enter within six months after the Participant's last date of employment, (ii) that is material to the AB entity or business unit that plans to enter such business, and (iii) in which such AB entity or business unit has invested material resources (including time of senior management) in preparation for launch.

(b) Employee Solicitation. At no time while employed by AB (including any applicable notice period) shall the Participant (whether directly or indirectly through instruction to any other person or entity) recruit, solicit or hire any employee of AB to work for the Participant or any other person or entity.

(c) Confidentiality. From the date hereof and continuing after the Participant's last date of employment, and except as otherwise required by law, the Participant shall not disclose or make accessible to any business, person or entity, or make use of (other than in the course of the business of AB) any trade secrets, proprietary knowledge or confidential information that the Participant shall have obtained during his or her employment by AB and that shall not be generally known to or recognized by the general public. All information regarding or relating to any aspect of the business of AB, including but not limited to existing or contemplated business plans, activities or procedures, current or prospective clients, current or prospective contracts or other business arrangements, current or prospective products, facilities and methods, manuals, intellectual property, price lists, financial information (including the revenues, costs, or profits associated with any of the products or services of AB), or any other information acquired because of the Participant's employment by AB, shall be conclusively presumed to be confidential; provided, however, that confidential information shall not include any information known generally to the public (other than as a result of unauthorized disclosure by the Participant). The Participant's obligations under this Section 5(c) shall be in addition to any other confidentiality or nondisclosure obligations the Participant has to AB at law or under any other of AB's policies or agreements.

(d) Non-disparagement. The Participant shall not make intentionally disparaging remarks about AB, or issue any communication, written or otherwise, that reflects adversely on or encourages any adverse action against AB, except if testifying truthfully under oath pursuant to any subpoena, order, directive, request or other legal process, or as may be otherwise required by law.

(e) Remedies. If the Participant fails to comply with the agreements and covenants set forth in Section 4 or this Section 5, AB shall have the following remedies:

(i) The Participant agrees that in the event of a breach of any of the agreements or covenants contained in Section 4 or this Section 5, any Deferred Cash or Restricted Units that have not vested or have vested but have not been delivered (other than as a result of a voluntary long-term deferral election) shall be forfeited.

(ii) Without intending to limit the remedies available to AB, the Participant acknowledges that a breach of any of the agreements or covenants contained in Section 4 or this Section 5 shall result in material irreparable injury to AB for which the forfeiture remedy described in Section (i) above may not be adequate and that, in the event of such a breach or threat thereof, AB shall be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction restraining the Participant from engaging in activities prohibited by this Award Agreement or such other relief as may be required to specifically enforce any of the agreements or covenants in Section 4 or this Section 5. The Participant acknowledges that the above restrictions are part of a program of AB covering employees in many jurisdictions and that it is necessary to maintain consistency of administration and interpretation with respect to such program, and accordingly, the Participant consents to the applicability of New York law and jurisdiction in accordance with Section 14 hereof. In the event that any court or tribunal of competent jurisdiction shall determine this Section 5 to be unenforceable or invalid for any reason, the Participant agrees that this Section 5 shall be interpreted to extend only over the maximum period of time for which it may be enforceable, and/or over the maximum geographical area as to which it may be enforceable, and/or to the maximum extent in any and all respects as to which it may be enforceable, all as determined by such court or tribunal.

(iii) In addition to the remedies set forth in clauses (i) and (ii) above, AB retains the right to seek damages and other relief for any breach by the Participant of any agreement or covenant contained in this Award Agreement.

6. Forfeiture for Failure to Consider Certain Risks. If the Committee determines that, during the calendar year in which the Award was granted, (a) the Participant participated in the structuring or marketing of any investment management or research product or service, or

participated on behalf of AB or any of its clients in the purchase or sale of any security or other property as part of providing investment management services or otherwise, and (b) (i) the Participant failed to follow or violated any written AB policy guideline or process designed in whole or in part to manage or mitigate risk; (ii) as a result, appropriate consideration was not given to the risk to AB or the Participant's business unit (for example, where the Participant has improperly analyzed such risk or where the Participant failed sufficiently to raise concerns about such risk); and (iii) there has been, or reasonably could be expected to be, a material adverse impact on AB or the Participant's business unit, the Participant shall forfeit all unvested Deferred Cash, if elected, and all unvested Restricted Units granted pursuant to such Award.

7. Termination of Employment. The Deferred Cash and Restricted Units shall vest in accordance with Section 5 of Schedule A only while the Participant is employed by AB, except as follows:

(a) Disability. Any unvested Deferred Cash and Restricted Units shall fully vest immediately upon a Participant's Disability and shall be distributed to the Participant as specified in Article 4 of each of the Deferred Cash Program and the Incentive Compensation Program. The Participant shall be deemed to have incurred a "**Disability**" if the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last for a continuous period of not less than 12 months, as determined by the carrier of the long-term disability insurance program maintained by AB or its affiliate that covers the Participant, or such other person or entity designated by the Administrator in its sole discretion. In order to assist in the process described in this Section 7(a), the Participant shall, as reasonably requested by the Administrator, (i) be available for medical examinations by one or more physicians chosen by the long-term disability insurance provider or the Administrator and approved by the Participant, whose approval shall not be unreasonably withheld, and (ii) grant the long-term disability insurance provider, the Administrator and any such physicians access to all relevant medical information concerning the Participant, arrange to furnish copies of medical records to them, and use best efforts to cause the Participant's own physicians to be available to discuss the Participant's health with them.

(b) Death. If the Participant dies (i) while in the employ of AB, or (ii) while the Participant otherwise holds outstanding unvested Deferred Cash or Restricted Units, any unvested Deferred Cash and all unvested Restricted Units held by the Participant (and not previously forfeited or cancelled) shall vest immediately and be distributed in accordance with Article 4 of each of the Deferred Cash Program and the Incentive Compensation Program.

(c) Resignation. If the Participant resigns or otherwise voluntarily terminates his or her employment with AB (other than due to the Participant's Disability), any unvested Deferred Cash and all unvested Restricted Units held by

the Participant (and not previously forfeited or cancelled) on the date of resignation shall continue to vest as specified in Section 5 of Schedule A and be distributed as specified in Article 4 of each of the Deferred Cash Program and the Incentive Compensation Program. The provisions in this Section 7(c) are conditioned upon the Participant's continued compliance with the agreements and covenants set forth in Sections 4 and 5 of this Award Agreement from the date of resignation until the Deferred Cash and Restricted Units have fully vested and been delivered (or would have been delivered but for a voluntary long-term deferral election), the Participant providing to AB in writing (in a form to be provided by AB, a "**Resignation Questionnaire**") within 10 days from the first date the Participant informs AB about his or her resignation, information relating to the Participant's new employment opportunity, if any, the Participant confirming continued compliance with the agreements and covenants set forth in Sections 4 and 5 of this Award Agreement in writing (in a form to be provided by AB, a "**Confirmation Certificate**") in connection with each vesting date, and the Participant executing and complying with a standard release in favor of AB (in a form to be provided by AB, a "**Release**"); provided, however, that the only remedy available to AB for any breach by the Participant of the agreements and covenants set forth in Sections 4, 5(a) and 5(b) of this Award Agreement that occurs after the Participant's last date of employment (including any applicable notice period), or for the Participant failing to provide to AB the Resignation Questionnaire, the Release or each annual Confirmation Certificate, shall be the forfeiture remedy described in Section 5(e)(i). In addition, the terms of this Section 7(c) are also conditioned on the Participant not receiving replacement equity from a new employer for the unvested Deferred Cash and Restricted Units as to which continued vesting is to apply and the Participant confirming such fact in the Resignation Questionnaire and each Confirmation Certificate.

(d) Termination Without Cause. If AB terminates the Participant's employment without Cause (other than due to the Participant's Disability or death), any unvested Deferred Cash and all unvested Restricted Units held by the Participant (and not previously forfeited or cancelled) on the date of such termination shall continue to vest as specified in Section 5 of Schedule A and be distributed as specified in Article 4 of each of the Deferred Cash Program and the Incentive Compensation Program. The provisions in this Section 7(d) are conditioned upon the Participant's continued compliance with the covenants set forth in Section 5 of this Award Agreement (except Section 5(a), with respect to which the Participant need not comply after the Participant's termination date) until the Deferred Cash and Restricted Units have fully vested and been delivered (or would have been delivered but for a voluntary long-term deferral election), signing and returning a Confirmation Certificate to AB in connection with each vesting date, and executing and complying with a standard release in favor of AB (in a form to be provided by AB); provided, however, that the only remedy available to AB for any breach by the Participant of the covenant set forth in Section 5(b) of this Award Agreement that occurs after the

Participant's last date of employment (including any applicable notice period) shall be the forfeiture remedy described in Section 5(e)(i).

(e) Termination For Cause. If AB terminates the Participant's employment for Cause (or, if after termination of the Participant's employment other than for "**Cause**", as that term is defined in the 2010 Plan, AB determines than an event occurred during the Participant's employment that would have entitled AB to terminate the Participant's employment for Cause), the Participant shall forfeit all unvested Deferred Cash and Restricted Units.

8. No Right to Continued Employment. Neither the Award nor any term of this Award Agreement is intended to create a contract of employment or alter the at-will status of the Participant, who is employed on an at-will basis, nor shall they confer upon the Participant any right to continue in the employ of AB before, during or after any applicable notice period. In addition, neither the Award nor any term of this Award Agreement shall interfere in any way with the right of AB to terminate the service of the Participant at any time for any reason, or shorten any notice period at any time as prescribed by Section 4 of this Award Agreement.

9. Non-Transferability. The Participant may not sell, assign, transfer, pledge or otherwise dispose of or encumber any of the Deferred Cash or Restricted Units, or any interest therein, until the Participant's rights in such Deferred Cash or Restricted Units vest in accordance with this Award Agreement. Any purported sale, assignment, transfer, pledge or other disposition or encumbrance in violation of this Award Agreement will be void and of no effect.

10. Payment of Withholding Tax. The provisions set forth in Section 5.04(k) of the Deferred Cash Program and Section 6.04(k) of the Incentive Compensation Program shall apply in the event that AB determines that any federal, state or local tax or any other charge is required by law to be withheld with respect to a vesting or distribution of Deferred Cash or Restricted Units.

11. Dilution and Other Adjustments. The existence of the Award shall not impair the right of AB, AB Holding or their respective partners to, among other things, conduct, make or effect any change in AB's or AB Holding's business, any distribution (whether in the form of cash, limited partnership interests, other securities or other property), recapitalization (including, without limitation, any subdivision or combination of limited partnership interests), reorganization, consolidation, combination, repurchase or exchange of limited partnership interests or other securities of AB or AB Holding, issuance of warrants or other rights to purchase limited partnership interests or other securities of AB or AB Holding, or any incorporation (or other change in form) of AB or AB Holding. AB Holding Units shall be subject to adjustment in accordance with Section 4(c) of the 2010 Plan (or such applicable successor provision).

12. Electronic Delivery. The Plans contemplate that each award shall be evidenced by an Award Agreement which shall be delivered to the Participant. It is hereby understood that electronic delivery of this Award Agreement constitutes delivery under the Plans.

13. Administrator. If at any time there shall be no Committee, the Board shall be the Administrator.

14. Governing Law. This Award Agreement shall be governed by and construed in accordance with the internal laws of the State of New York. The Participant hereby consents to the exclusive jurisdiction of any state or federal court located within the State of New York, County of New York, with respect to any legal action, dispute or otherwise, arising out of, related to, or in connection with this Award Agreement. The Participant hereby waives any objection in any such action or proceeding based on forum non-conveniens, and any objection to venue with respect to any such legal action, which may be instituted in any of the aforementioned courts.

15. Sections and Headings. All section references in this Award Agreement are to sections hereof for convenience of reference only and are not to affect the meaning of any provision of this Award Agreement.

16. Interpretation. The Participant accepts the Award subject to all the terms and provisions of the Plans and this Award Agreement. In the event of any conflict between any clause of the Plans and this Award Agreement, this Award Agreement shall control. The Participant accepts as binding, conclusive and final all decisions or interpretations of the Administrator or Board upon any questions arising under the Plans and/or this Award Agreement.

17. Notices. Any notice under this Award Agreement shall be in writing and shall be deemed to have been duly given when delivered personally (whether by hand or by facsimile) or when deposited in the United States mail, registered, postage prepaid, and addressed, in the case of AB and AB Holding, to the Corporate Secretary at 1345 Avenue of the Americas, New York, New York 10105, or if AB should move its principal office, to such principal office, and, in the case of the Participant, to his or her last permanent address as shown on AB's records, subject to the right of either party to designate some other address at any time hereafter in a notice satisfying the requirements of this Section 17.

18. Entire Agreement; Amendment. This Award Agreement supersedes any and all existing agreements between the Participant, AB and AB Holding relating to the Award. It may not be amended except by a written agreement signed by all parties.

ALLIANCEBERNSTEIN L.P.
ALLIANCEBERNSTEIN HOLDING L.P.

By: /s/ James A. Gingrich
James A. Gingrich
Chief Operating Officer

The Participant hereby acknowledges and accepts the terms and conditions set forth in this Award Agreement, including AB's remedies if the Participant fails to comply with the agreements and covenants set forth in Sections 4 and 5 of this Award Agreement, and the forfeiture of unvested Deferred Cash and Restricted Units for failure to consider certain risks as described in Section 6 of this Award Agreement. To accept the terms of this Award Agreement, please click the "Accept" button below:

ACCEPT

DECLINE

SCHEDULE A
TO
AWARD AGREEMENT

1. $_____ 2015 Award

2.$_____2015 Deferred Cash Award (may not exceed the lesser of $250,000 and 50% of the Award; provided, however, if the Participant is based outside of the United States, is treated as a local hire rather than as an expatriate and received an Award of $100,000 or less, the Deferred Cash Award may be up to 100% of the Award)

3._____ Restricted Units have been awarded pursuant to this Award Agreement.

4.The per AB Holding Unit price used to determine the number of Restricted Units awarded hereunder is $23.02 per AB Holding Unit, which is the closing price of an AB Holding Unit as published for composite transactions on the New York Stock Exchange on December 11, 2015.

5.Restrictions lapse with respect to the AB Holding Units in accordance with the following schedule:

Date	Percentage of Awarded AB Holding Units Vested and Delivered on the Date Indicated
December 1, 2016	25.0%
December 1, 2017	50.0%
December 1, 2018	75.0%
December 1, 2019	100.0%

SCHEDULE A
TO
AWARD AGREEMENT
FOR AB SALES PROFESSIONALS

1. $_____ 2015 Award∗

2.$_____2015 Deferred Cash Award (may not exceed the lesser of $250,000 and 50% of the Award; provided, however, if the Participant is based outside of the United States, is treated as a local hire rather than as an expatriate and received an Award of $100,000 or less, the Deferred Cash Award may be up to 100% of the Award)*

3._____ Restricted Units have been awarded pursuant to this Award Agreement.∗

4.The per AB Holding Unit price used to determine the number of Restricted Units awarded hereunder is $23.02 per AB Holding Unit, which is the closing price of an AB Holding Unit as published for composite transactions on the New York Stock Exchange on December 11, 2015.

5.Restrictions lapse with respect to the AB Holding Units in accordance with the following schedule:

Date	Percentage of Awarded AB Holding Units Vested and Delivered[1] in the Date Indicated
December 1, 2016	25.0%
December 1, 2017	50.0%
December 1, 2018	75.0%
December 1, 2019	100.0%

∗ The amount of the 2015 Award, 2015 Deferred Cash Award and the number of Restricted Units awarded pursuant to this Award Agreement are based on an estimate of Total Variable Compensation ("TVC"). The final amounts will be calculated once TVC is finalized in early 2016 and, if the final amounts differ from the estimates stated above, the 2015 Award amount, the amount of the Deferred Cash Award and the number of Restricted Units awarded pursuant to this Agreement will be adjusted accordingly.

[1] Assuming the Participant has not elected to voluntarily defer receipt of AB Holding Units.

2010 LONG TERM INCENTIVE PLAN, AS AMENDED
AWARD AGREEMENT

AWARD AGREEMENT, dated as of May 21, 2015, among AllianceBernstein L.P. ("**AB**"), AllianceBernstein Holding L.P. ("**AB Holding**") and PARTICIPANT ("**Participant**"), a member of the Board of Directors of AllianceBernstein Corporation ("**Board**"), the general partner of AB and AB Holding.

WHEREAS, the Board, pursuant to AB's 2010 Long Term Incentive Plan, as amended ("**Plan**"), a copy of which has been delivered to the Participant, has granted to the Participant an award ("**Award**"), based on an election by the Participant, that consists of either (1) an option ("**Option**") to purchase the number of units representing assignments of beneficial ownership of limited partnership interests in AB Holding ("**Units**") where the Option has a value of $120,000 calculated in accordance with Black-Scholes methodology, (2) the number of Units having an aggregate fair value of $120,000 based on the closing price of a Unit on May 21, 2015 as reported for New York Stock Exchange composite transactions ("**May 21 Closing Price**"), which Units are subject to certain restrictions described herein ("**Restricted Units**"), or (3)(a) an Option to purchase the number of Units where the Option has a value of $60,000 calculated in accordance with Black-Scholes methodology and (b) the number of Restricted Units having an aggregate fair value of $60,000 based on the May 21 Closing Price; and

WHEREAS, the form by which the Participant made such election is attached hereto as Schedule A; and

WHEREAS, the Board has authorized the execution and delivery of this Award Agreement;

NOW, THEREFORE, in accordance with the grant of the Award, and as a condition thereto, AB, AB Holding and the Participant agree as follows:

1. Grant. Subject to and under the terms and conditions set forth in this Award Agreement and the Plan, the Board hereby awards the Participant:

(a) an Option to purchase from AB the number of Units set forth in Section 1 of Schedule B, at the per Unit price set forth in Section 2 of Schedule B, subject to the vesting schedule set forth in Section 3 of Schedule B; and/or

(b) the number of Restricted Units set forth in Section 4 of Schedule B, subject to the vesting schedule set forth in Section 5 of Schedule B.

2. Term and Vesting Schedule. (a) Subject to Section 4(a) below, the Option shall not be exercisable to any extent prior to May 21, 2016 or after May 21, 2025 ("**Expiration Date**"). Subject to the terms and conditions of this Award Agreement and the Plan, the Participant shall be entitled to exercise the Option prior to the Expiration Date and to purchase Units pursuant to the Option in accordance with the schedule set forth in Section 3 of Schedule B.

The right to exercise the Option shall be cumulative so that to the extent the Option is not exercised when it becomes initially exercisable with respect to any Units, it shall be exercisable with respect to such Units at any time thereafter until the Expiration Date. Any Units subject to the Option that have not been purchased on or before the Expiration Date may not, thereafter, be purchased hereunder. A Unit shall be considered to have been purchased on or before the Expiration Date if AB has been given notice of the purchase and AB has actually received payment therefor pursuant to Sections 3(a) and 14, on or before the Expiration Date.

(b) The Restricted Units shall vest in accordance with the schedule set forth in Section 5 of Schedule B and shall be distributed to the Participant promptly after vesting.

3. Notice of Exercise, Payment, Certificate and Account. (a) Exercise of the Option, in whole or in part, shall be by delivery of a written notice to AB and AB Holding pursuant to Section 14, which specifies the number of Units being purchased and is accompanied by payment therefor in cash. The Participant may pay AB as many as three business days subsequent to the exercise date through a financial intermediary designated by the Board. Promptly after receipt of such notice and purchase price, AB shall cause AB's transfer agent ("**Transfer Agent**"), currently Computershare Shareowner Services LLC, to deliver the number of Units purchased. Units to be issued upon the exercise of the Option may be authorized and unissued Units or Units that have been reacquired by AB, a subsidiary of AB, AB Holding or a subsidiary of AB Holding.

(b) AB shall establish an uncertificated account ("**Account**") with the Transfer Agent representing the Restricted Units within a reasonable time after the Participant's execution and delivery of this Award Agreement. AB shall deliver to the Participant a certificate representing Units that have vested pursuant to this Award Agreement within a reasonable time after such Units vest. The Transfer Agent will adjust the Account to reflect the number of Units covered by each such certificate and will reduce the Account to the extent that any unvested Restricted Units are forfeited pursuant to the terms of this Award Agreement.

4. Termination. (a) The Option may be exercised by the Participant and the Restricted Units may be distributed to the Participant only while the Participant serves on the Board; provided, however, that upon termination of the Participant's service by reason of the Participant's voluntary mid-term resignation, declining to stand for re-election (whether as a result of the general partner's mandatory retirement program or otherwise), becoming an employee of AB or a subsidiary thereof, or because the Participant incurs a Disability, the outstanding portion of the Option held by the Participant on the date of such termination shall continue to become exercisable as specified in Section 3 of Schedule B and shall expire on the earlier of the Expiration Date and the date that is five years from the date of such termination, and the outstanding Restricted Units held by the Participant on the date of such termination shall be distributed to the Participant promptly after the

date of such termination. In the event of the death of the Participant (whether before or after termination of service), the outstanding portion of the Option held by the Participant (and not previously canceled or expired) on the date of death shall be fully exercisable by the Participant's legal representative within one year of the date of death (without regard to Section 3 of Schedule B, but not later than the Expiration Date), and the outstanding Restricted Units held by the Participant on the date of death shall be distributed to the Participant's beneficiary (or the Participant's estate, if the Participant has not designated a beneficiary) promptly after such date. "**Disability**" means the Participant's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last for a continuous period of not less than 12 months, as determined by the carrier of the long-term disability insurance program maintained by AB or its affiliate that covers the Participant, if any, or such other person or entity designated by AB in its sole discretion. In order to assist in the process described in this paragraph, the Participant shall, as reasonably requested by AB or its designee, (i) be available for medical examinations by one or more physicians chosen by the long-term disability insurance provider or AB and approved by the Participant, whose approval shall not unreasonably be withheld, and (ii) grant the long-term disability insurance provider, AB and any such physicians access to all relevant medical information concerning the Participant, arrange to furnish copies of medical records to them, and use best efforts to cause the Participant's own physicians to be available to discuss the Participant's health with them.

(b) The Participant shall immediately forfeit the vested and unvested portions of both the Option and the Restricted Units awarded under this Award Agreement if the Participant's service as a Director is terminated for Cause. "**Cause**" shall mean the Participant's (1) continuing willful failure to perform the Participant's duties as a Director (other than as a result of the Participant's total or partial incapacity due to physical or mental illness), (2) gross negligence or malfeasance in the performance of the Participant's duties, (3) a finding by a court or other governmental body with proper jurisdiction that an act or acts by the Participant constitutes (A) a felony under the laws of the United States or any state thereof, or (B) a violation of federal or state securities law, by reason of which finding the Board determines in good faith that the continued service of the Participant would be seriously detrimental to AB and its business, (4) in the absence of such a finding by a court or other governmental body with proper jurisdiction, such a determination in good faith by the Board by reason of such act or acts constituting such a felony, serious crime or violation, or (5) any breach by the Participant of any obligation of confidentiality, non-competition, or non-solicitation to AB.

5. No Right to Continued Directorship. The granting of the Award shall not confer upon the Participant any right to continue to be retained as a Director, and shall not interfere in any way with the right of AB to terminate the service of the Participant at any time for any reason.

6. Non-Transferability. (a) The Option is not transferable other than by will or the laws of descent and distribution and, except as otherwise provided in Section 4, during the lifetime of the Participant this Option is exercisable only by the Participant; except that a Participant may transfer this Option, without consideration, subject to such rules as the Board may adopt to preserve the purposes of the Plan (including limiting such transfers to transfers by Participants who are Director Participants or senior executives), to a trust solely for the benefit of the Participant and the

Participant's spouse, children or grandchildren (including adopted and stepchildren and grandchildren).

(b) Except as otherwise provided in this Award Agreement, the Participant may not sell, assign, transfer, pledge or otherwise dispose of or encumber any of the Units subject to the Option or any of the Restricted Units, or any interest therein, until the Participant's rights in such Units vest in accordance with this Award Agreement. Any purported sale, assignment, transfer, pledge or other disposition or encumbrance in violation of this Award Agreement will be void and of no effect.

7. Payment of Withholding Tax. (a) In the event that AB or AB Holding determines that any federal, state or local tax or any other charge is required by law to be withheld with respect to the exercise of the Option or the grant of the Restricted Units, the Participant shall, either directly or through a financial intermediary, promptly pay to AB, a subsidiary specified by AB, AB Holding or a subsidiary specified by AB Holding, on four business days' notice, an amount equal to such withholding tax or charge, or (b) if the Participant does not promptly so pay the entire amount of such withholding tax or charge in accordance with such notice, or make arrangements satisfactory to AB and AB Holding regarding payment thereof, AB, any subsidiary of AB, AB Holding or any subsidiary of AB Holding may withhold the remaining amount thereof from any amount due the Participant from AB, its subsidiary, AB Holding or its subsidiary.

8. Dilution and Other Adjustments. The existence of the Award shall not impair the right of AB, AB Holding or their respective partners to, among other things, conduct, make or effect any change in AB's or AB Holding's business, any distribution (whether in the form of cash, limited partnership interests, other securities, or other property), recapitalization (including, without limitation, any subdivision or combination of limited partnership interests), reorganization, consolidation, combination, repurchase or exchange of limited partnership interests or other securities of AB or AB Holding, issuance of warrants or other rights to purchase limited partnership interests or other securities of AB or AB Holding, or any incorporation of AB or AB Holding. In the event of such a change in the partnership interests of AB or AB Holding, the Board shall make such adjustments to the Award, including the purchase price of the Option specified in Section 2 of Schedule B, as it deems appropriate and equitable. In the event of incorporation of AB or AB Holding, the Board shall make such arrangements as it deems appropriate and equitable with respect to the Award for the Participant to purchase stock in the resulting corporation in place of the Units subject to the Option and the Restricted Units. Any such adjustment or arrangement may provide for the elimination of any fractional Unit or shares of stock that might otherwise become subject to the Option. Any decision by the Board under this Section shall be final and binding upon the Participant.

9. Rights as an Owner of a Unit. (a) The Participant (or a transferee of the Option pursuant to Sections 4 and 6 hereof) shall have no rights as an owner of a Unit with respect to any Unit covered by the Option until he or she becomes the holder of record of such Unit, which shall be deemed to occur at the time that notice of purchase is given and payment in full is received by AB and AB Holding under Sections 3(a) and 14 of this Award Agreement. By such actions, the Participant (or such transferee) shall be deemed to have consented to, and agreed to be bound by,

all other terms, conditions, rights and obligations set forth in the then current Amended and Restated Agreement of Limited Partnership of AB Holding and the then current Amended and Restated Agreement of Limited Partnership of AB ("**Partnership Agreement**"). Except as provided in Section 8 hereof, no adjustment shall be made with respect to any Unit for any distribution for which the record date is prior to the date on which the Participant becomes the holder of record of the Unit, regardless of whether the distribution is ordinary or extraordinary, in cash, securities or other property, or of any other rights.

(b) Except as provided in the Partnership Agreement, as of the date of this Award Agreement, the Participant shall have all of the rights under the Partnership Agreement that a Unitholder would have with respect to the Restricted Units awarded to the Participant hereunder (including, without limitation, the right to receive quarterly distributions payable with respect to such Units on or after that date).

10. Administrator. The Board shall be the Administrator.

11. Governing Law. This Award Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

12. Entire Agreement; Amendment. This Award Agreement supersedes any and all existing agreements between the Participant, AB and AB Holding relating to the Option and Restricted Unit awards. It may not be amended except by a written agreement signed by both parties.

13. Interpretation. The Participant accepts this Award subject to all the terms and provisions of the Plan, which shall control in the event of any conflict between any provision of the Plan and this Award Agreement, and accepts as binding, conclusive and final all decisions or interpretations of the Board upon any questions arising under the Plan and/or this Award Agreement.

14. Notices. Any notice under this Award Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, registered, postage prepaid, and addressed, in the case of AB and AB Holding, to the Corporate Secretary or an Assistant Secretary at 1345 Avenue of the Americas, New York, New York 10105, or if AB should move its principal office, to such principal office, and, in the case of the Participant, to the Participant's last permanent address as shown on AB's records, subject to the right of either party to designate some other address at any time hereafter in a notice satisfying the requirements of this Section.

15. Sections and Headings. All section references in this Award Agreement are to sections hereof for convenience of reference only and are not to affect the meaning of any provision of this Award Agreement.

ALLIANCEBERNSTEIN L.P.

By: /s/ James A. Gingrich
James A. Gingrich
Chief Operating Officer

ALLIANCEBERNSTEIN HOLDING L.P.

By: /s/ James A. Gingrich
James A. Gingrich
Chief Operating Officer

/s/
PARTICIPANT

SCHEDULE A

AllianceBernstein 2010 Long Term Incentive Plan, As Amended
2015 Equity Compensation Election Form

ELECTION FORM, dated as of January 30, 2015, among AllianceBernstein L.P. ("**Partnership**"), AllianceBernstein Holding L.P. ("**AllianceBernstein Holding**") and the undersigned ("**Participant**"), a member of the Board of Directors of AllianceBernstein Corporation ("**Board**"), the general partner of the Partnership and Holding.

WHEREAS, the Board determined at its meeting held on August 1, 2012 that the equity grant to each Non-Management Director (consisting of options and/or AllianceBernstein Holding units) shall be based on the election by each such Director, in January of each year, to receive, pursuant to the AllianceBernstein 2010 Long Term Incentive Plan, as amended, or any successor equity compensation plan, an award consisting of (1) an option to purchase the number of AllianceBernstein Holding units where the option has a value of $120,000 calculated in accordance with Black-Scholes methodology, (2) the number of AllianceBernstein Holding units having a value of $120,000 based on the closing price of AllianceBernstein Holding units on the date of grant as reported for New York Stock Exchange composite transactions, or (3) an equity grant consisting of (a) an option to purchase a number of AllianceBernstein Holding units where the option has a value of $60,000 calculated in accordance with Black-Scholes methodology and (b) the number of AllianceBernstein Holding units having a value of $60,000 based on the closing price of AllianceBernstein Holding units on the date of grant as reported for New York Stock Exchange composite transactions;

NOW, THEREFORE, I hereby elect to receive my 2014 equity compensation award, pursuant to the AllianceBernstein 2010 Long Term Incentive Plan, as amended, in the following form:

o an option to purchase the number of AllianceBernstein Holding units where the option has a value of $120,000 calculated in accordance with Black-Scholes methodology;

o the number of AllianceBernstein Holding units having a value of $120,000 based on the closing price of AllianceBernstein Holding units on the date of grant as reported for New York Stock Exchange composite transactions; or

o an equity award consisting of (a) an option to purchase the number of AllianceBernstein Holding units where the option has a value of $60,000 calculated in accordance with Black-Scholes methodology, and (b) the number of AllianceBernstein Holding units having a value of $60,000 based on the closing price of AllianceBernstein Holding units on the date of grant as reported for New York Stock Exchange composite transactions.

By: /s/

Name: PARTICIPANT

Date: January 30, 2015

SCHEDULE B

1.The number of Units that the Participant is entitled to purchase pursuant to the Option granted under this Award Agreement is _____.

2.The per Unit price to purchase Units pursuant to the Option granted under this Award Agreement is $31.74 per Unit.

3.Percentage of Units With Respect to
Which the Option First Becomes
Exercisable on the Date Indicated

1. May 21, 2016 33.3%
2. May 21, 2017 66.6%
3. May 21, 2018 100.0%

* * *

4._____ Restricted Units have been awarded pursuant to this Award Agreement.

5.Restrictions lapse with respect to the Units in accordance with the following schedule:

Date	Percentage of Units Vested on the Date Indicated
May 21, 2018	100.0%

AMENDMENT AND RESTATEMENT

OF THE

PROFIT SHARING PLAN FOR EMPLOYEES OF

ALLIANCEBERNSTEIN L.P.

(As of January 1, 2015)

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AMENDED AND RESTATED

PROFIT SHARING PLAN FOR EMPLOYEES

OF ALLIANCEBERNSTEIN L.P.

(AS OF JANUARY 1, 2015)

WHEREAS, the Profit Sharing Plan for Employees of AllianceBernstein L.P. (the "Plan") (formerly known as the Profit Sharing Plan for Employees of Alliance Capital Management L.P.) was originally established effective as of January 1, 1972 by the predecessor of Alliance Capital Management L.P.; and

WHEREAS, the Plan was amended and restated from time to time to reflect changes in the predecessor's business, changes in applicable law and the investment in Units of AllianceBernstein Holding L.P. ("AllianceBernstein Holding"); and

WHEREAS, the Plan was amended effective January 1, 1995 to reflect the merger of the Alliance Capital Management L.P. Profit Sharing Plan for Former Employees of Equitable Capital Management Corporation with and into this Plan; and

WHEREAS, the Plan was amended to comply with the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") and other applicable legislation, which provisions reflecting EGTRRA are intended as good faith compliance with the requirements of EGTRRA and are to be construed in accordance with EGTRRA and guidance issued thereunder; and

WHEREAS, the Plan was amended and restated, effective as of January 1, 2006, to incorporate all Plan amendments adopted since the Plan was last amended and restated and certain additional design changes, changes required to comply with applicable law and to reflect the name change of Alliance Capital Management L.P. to AllianceBernstein L.P.; and

WHEREAS, the Plan was amended and restated, effective as of January 1, 2008, to comply with the Pension Protection Act of 2006, other applicable legislation, and certain additional design changes; and

WHEREAS, the Plan was amended and restated, effective as of January 1, 2010, to incorporate prior amendments, to comply with the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008, and the Workers, Retiree, and Employer Recovery Act of 2008, and to reflect other required changes and certain additional design changes; and

WHEREAS, the Plan is hereby amended and restated, effective as of January 1, 2015, to incorporate prior amendments and to reflect certain additional design changes.

NOW, THEREFORE, the Plan is hereby amended and restated, as of January 1, 2015.

ARTICLE I

DEFINITIONS

For the purposes of this Plan, except as otherwise herein expressly provided or unless the context otherwise requires, when capitalized:

Section 1.01. "Account" means any one or more of the following accounts maintained by the Administrative Committee for a Member:

(a) his Company Contributions Account;

(b) his Member Contributions Account;

(c) his Member Salary Deferral Account;

(d) Roth Elective Deferral Account; and

(e) his Rollover Account.

Section 1.02. "Act" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

Section 1.03. "Accounting Date" means the last business day of each Plan Year and any other date which may be determined by the Administrative Committee under uniform and non discriminatory procedures established by the Administrative Committee.

Section 1.03A. "Activation" or "Activate" means the administrative process of a Member arranging for the receipt of the portion of his Account invested in the SIP upon retirement in accordance with the requirements prescribed by the Administrative Committee and the terms of the applicable investment vehicle.

Section 1.04. "Administrative Committee" means the administrative committee appointed pursuant to Section 12.01.

Section 1.05. "After-Tax Rollover Contributions" means an amount of after-tax employee contributions contributed or transferred to the Trust in accordance with Section 5.03(b).

Section 1.06. "Anniversary Year" means each twelve (12) month period beginning on an Employee's Employment Commencement Date or any annual anniversary thereof.

Section 1.07. "Affiliate" means any corporation or unincorporated business (a) controlled by, or under common control with, the Company within the meaning of Code Sections 414(b) and (c), or (b) which is a member of an "affiliated service group", as defined in Code Section 414(m), of which the Company is a member.

Section 1.08. "Assignor Limited Partner" shall mean Alliance ALP, Inc., a Delaware corporation, or any individual, corporation, association, partnership, joint venture, entity, estate or other entity or organization designated by the general partner of the Company to serve as a substitute therefore.

Section 1.09. "Beneficiary" means the person (including a trust or estate of a Member) designated by a Member, or who may otherwise be entitled under the terms of the Plan to receive the balance, if any, of the Member's Accounts upon the Member's death.

Section 1.09A. "Birthday Year" means the consecutive twelve month period commencing on a Member's birthday.

Section 1.10. "Board" means the Board of Directors of the general partner of the Company responsible for the management of the Company's business, or a committee thereof designated by such Board.

Section 1.11. "Break in Service" means, with respect to any Employee, any Anniversary Year ending on or after the date of his Severance from Employment and before his date of reemployment, if any, in which he does not complete more than five hundred (500) Hours of Service with Employers or Affiliates.

Section 1.12. "Code" means the Internal Revenue Code of 1986, as amended from time to time.

Section 1.13. "Company" means AllianceBernstein L.P. and any successor thereto; prior to February 24, 2006, known as Alliance Capital Management L.P.; and prior to April 21, 1988, known as Alliance Capital Management Corporation.

Section 1.14. "Company Contribution" means a contribution for a Plan Year made by an Employer to the Trust pursuant to Section 4.01 or Section 4.02, but not Section 5.01, including any amount to be applied from the Unallocated Forfeitures Account in reduction of the contribution which would otherwise be made for the Plan Year involved.

Section 1.15. "Company Contributions Account" means the Account consisting of the balance attributable to Company Contributions.

Section 1.16. "Compensation" means a Member's base salary (or Draw, if no base salary) received for services rendered to an Employer, which term shall include the amount of a Member's Member Salary Deferral and any other salary deferrals pursuant to Code Sections 401(k), 125 or 132(f), but shall not include overtime pay, bonuses, severance pay, distributions on Units, reimbursement for moving expenses, reimbursement for educational expenses, reimbursement for any other expenses, contributions or benefits paid under this Plan or any other plan of deferred compensation, or any other extraordinary item of compensation or income; provided that in the case of a Member whose compensation from an Employer includes commissions, commissions shall be included only to the extent that the Member's aggregate compensation taken into account does not exceed $100,000 and provided further that such

amount shall be prorated for those Members (based on amount of service as a Member (as defined pursuant to Article IV)) for purposes of Company Profit Sharing Contributions and Company Matching Contributions. In addition, Compensation shall not include amounts paid to non resident aliens which do not constitute income from United States sources (within the meaning of Code Section 862) except in the case of a non resident alien who is a Member and for whom the Company so specifies. Compensation of a Member in excess of $265,000 (or such other amount prescribed under Code Section 401(a)(17), including any cost of living adjustments) shall not be taken into account under the Plan for the purpose of determining benefits.

Effective as of January 1, 2009, Compensation shall include differential wage payments as defined in Code Section 3401(h)(2) paid to employees while performing qualified service as defined in Code Section 414(u).

Compensation shall include Deemed 125 Compensation. "Deemed 125 Compensation" shall mean, in accordance with Internal Revenue Service Revenue Ruling 2002-27, 2002-20 I.R.B. 925, any amounts not available to a Member in cash in lieu of group health coverage because the Member is unable to certify that he or she has other health coverage. An amount shall be treated as Deemed 125 Compensation only if the Employer does not request or collect information regarding the Member's other health coverage as part of the enrollment process for the health plan.

Section 1.17. "Draw" means compensation received on a regular basis at a consistent rate which may be offset against commissions earned by an Employee who does not receive base salary.

Section 1.18. "ECMC Plan" means the Alliance Capital Management L.P. Profit Sharing Plan for Former Employees of Equitable Capital Management Corporation as in effect immediately prior to January 1, 1995.

Section 1.19. (a) "Employee" means, except as provided in Subsection (c), any person employed by an Employer or an Affiliate, but excluding any person who is an independent contractor.

(b) An Excluded Employee (as defined in Subsection (c)) shall be considered an Employee for all purposes under the Plan except that:

(1) an Excluded Employee may not become a Member while he remains an Excluded Employee; and

(2) a Member who becomes an Excluded Employee shall be an Inactive Member while he remains an Excluded Employee.

(c) An Excluded Employee shall mean an individual in the employ of an Employer or an Affiliate who:

(1) is employed by an Affiliate that is not an Employer; or

(2) included in a unit of employees covered by a collective bargaining agreement between employee representatives and one or more Employers or Affiliates, if retirement benefits were the subject of good faith bargaining between such employee representatives and any such Employer or Affiliate; or

(3) is not an Excluded Employee under Paragraph (4) of this Subsection (c) and is neither a resident nor a citizen of the United States, nor receives "earned income," within the meaning of Code Section 911(b), from an Employer or Affiliate that constitutes income from sources within the United States, within the meaning of Code Section 861(a)(3), unless the individual became a Member prior to becoming a non resident alien and the Company stipulates that he shall not be an Excluded Employee; or

(4) is not a citizen of the United States, unless the individual (A) was initially engaged as an Employee by an Employer or an Affiliate to render services entirely or primarily in the United States; or (B) is an Employee of an Employer which is a United States entity, and unless, in the case of an individual referred to in either Subparagraph (A) or (B) of this Paragraph 4, the Company stipulates that he shall not be an Excluded Employee; or

(5) is accruing benefits and/or receiving contributions under a retirement plan of an Affiliate which operates entirely or primarily outside the United States other than this Plan or the Retirement Plan for Employees of AllianceBernstein L.P. unless, in either case, the Company stipulates that he shall not be an Excluded Employee; or

(6) is a "Leased Employee." For purposes of this Plan, "Leased Employee" means, any person (other than an Employee of the recipient) who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with Code Section 414(n)(6) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the recipient employer.

Section 1.20. "Employer" means the Company and any Affiliate which, with the consent of the Board, has adopted the Plan as a Member herein, and any successor to any such Employer.

Section 1.21. "Employment Commencement Date" means:

(a) the date on which an Employee first performs an Hour of Service; or

(b) in the case of a former Employee who has incurred a Break in Service, the date on which he first completes an Hour of Service following his Severance from Employment.

Section 1.22. "Entry Date" means January 1 and July 1 of each Plan Year after 1988. Notwithstanding the foregoing, as provided in Section 2.01(b), for purposes of a Member's

eligibility to make Member Salary Deferrals, "Entry Date" shall mean the first day of the calendar month occurring after the completion of the Member's first regular payroll period; and further provided that, effective on and after September 1, 2007, "Entry Date" shall mean the first day that is administratively feasible as determined by the Investment Committee or the Administrative Committee following the Employee's Employment Commencement Date.

Section 1.23. "Highly Compensated Employee" means an Employee who, with respect to the "determination year":

(a) owned (or is considered as owning within the meaning of Code Section 318) at any time during the "determination year" or "look-back year" more than five percent of the outstanding stock of the Employer or stock possessing more than five percent of the total combined voting power of all stock of the Employer (the attribution of ownership interest to "Family Members" shall be used pursuant to Code Section 318); or

(b) who received "415 Compensation" during the "look-back year" from the Employer in excess of $120,000 and was in the Top Paid Group of Employees for the "look-back year."

The "determination year" shall be the Plan Year for which testing is being performed. The "look-back year" shall be the Plan Year immediately preceding the "determination year."

For purposes of this Section, "415 Compensation" shall mean compensation reported as wages, tips and other compensation on Form W-2 and shall include: (i) any elective deferral (as defined in Code Section 402(g)(3)) and (ii) any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Code Sections 125, 132(f)(4), 401(k) or 457.

The dollar threshold amount specified in (b) above shall be adjusted at such time and in such manner as is provided in Regulations. In the case of such an adjustment, the dollar limits which shall be applied are those for the calendar year in which the "determination year" or "look-back year" begins.

In determining who is a Highly Compensated Employee, Employees who are nonresident aliens and who received no earned income (within the meaning of Code Section 911(d)(2)) from the Employer constituting United States source income within the meaning of Code Section 861(a)(3) shall not be treated as Employees.

Additionally, all Affiliated Employers shall be taken into account as a single employer and Leased Employees within the meaning of Code Sections 414(n)(2) and 414(o)(2) shall be considered Employees unless such Leased Employees are covered by a plan described in Code Section 414(n)(5) and are not covered in any qualified plan maintained by the Employer. The exclusion of Leased Employees for this purpose shall be applied on a uniform and consistent basis for all of the Employer's retirement plans. Highly Compensated Former Employees shall be treated as Highly Compensated Employees without regard to whether they performed services during the "determination year."

Section 1.24. "Highly Compensated Former Employee" means a former Employee who had a separation year prior to the "determination year" and was a Highly Compensated Employee in the year of Severance from Employment or in any "determination year" after attaining age 55. Highly Compensated Former Employees shall be treated as Highly Compensated Employees. The method set forth in this Section for determining who is a "Highly Compensated Former Employee" shall be applied on a uniform and consistent basis for all purposes for which the Code Section 414(q) definition is applicable.

Section 1.25. (a) "Hour of Service" means:

(1) each hour for which an Employee is paid, or entitled to payment, by an Employer or Affiliate for the performance of duties for such Employer or Affiliate, credited for the Plan Year or other computation period in which such duties were performed; or

(2) each hour of a period during which no duties are performed due to vacation, holiday, illness, incapacity, layoff, jury duty, military duty or leave of absence, determined in accordance with the following rule: he shall be credited with forty-five (45) Hours of Service for each week or partial week of the period of absence.

(3) each hour during the Employee's period of service in the Armed Forces of the United States, credited on the basis of forty (40) Hours of Service for each week, or eight (8) Hours of Service for each weekday, of such service, if the Employee retains reemployment rights under the Military Selective Service Act, or successor guidance thereto, including the Uniformed Services Employment and Reemployment Rights Act of 1994, and is reemployed by an Employer or Affiliate within the period provided by such guidance; and

(4) each hour for which an Employee has been awarded, or is otherwise entitled to, back pay from an Employer or Affiliate, irrespective of mitigation of damages, if he is not entitled to credit for such hour under any other paragraph in this Subsection (a).

(5) (A) solely for purposes of Section 1.10, each hour of an Employee's absence commencing on or after January 1, 1985:

(i) by reason of leave pursuant to the FMLA;

(ii) by reason of the pregnancy of such Employee;

(iii) by reason of the birth of a child of such Employee;

(iv) by reason of the placement of a child in connection with the adoption of such child by the Employee; or

(v) for purposes of caring for such child for a period beginning immediately following such birth or placement, determined in accordance with Subparagraphs (B), (C) and (D).

(B) The number of hours credited to an Employee pursuant to Subparagraph (A) shall be:

(i) the number of hours which otherwise would normally have been credited to such Employee but for such absence; or

(ii) in any case in which the Plan cannot determine the number of hours which would normally be credited to such individual, a total of eight (8) Hours of Service for each day of such absence,

except that the total number of Hours of Service credited to an Employee under this Paragraph (5) shall not exceed 501 Hours of Service for any such period of absence.

(C) The Hours of Service credited to an Employee pursuant to this Paragraph (5) shall be credited:

(i) only in the Anniversary Year in which such period of absence began, if such Employee would be prevented from incurring a Break in Service in such Anniversary Year solely because of the crediting of Hours of Service during such period of absence pursuant to this Paragraph (5); or

(ii) in any other case, in the Anniversary Year next succeeding the commencement of such period of absence.

(D) Notwithstanding the foregoing, an Employee shall not be credited with Hours of Service pursuant to this Paragraph (5) unless such Employee shall furnish to the Administrative Committee, on a timely basis, such information as the Administrative Committee shall reasonably require to establish:

(i) that the absence from work is for a reason described in Subparagraph (A) hereof; and

(ii) the number of days during which such absence continued.

(b) The number of Member's Hours of Service and the Plan Year or other computation period to which they are to be credited shall be determined in accordance with Section 2530.200b-2 of the Rules and Regulations for minimum Standards for Employee Pension Benefit Plans, which Section is hereby incorporated by reference into this Plan.

(c) An Employee's Hours of Service need not be determined from employment records, and such Employee may, in accordance with uniform and non-discriminatory rules adopted by the Administrative Committee, be credited with forty-five (45) Hours of Service for

each week in which he would be credited with any Hours of Service under the provisions of Subsection (a) or (b).

Section 1.26. "Inactive Member" means a Member described in Section 2.02(b). An Inactive Member shall be treated as a Member for purposes of Article VIII and Section 12.03, but shall not otherwise be deemed a Member of the Plan.

Section 1.27. "Independent Fiduciary" means a person or entity who is not an employee or officer of the Company or its Affiliates who is appointed by the Company pursuant to Section 12.07 to perform the functions described therein.

Section 1.28. "Initial Automatic Enrollment Percentage" means the percentage of a Member's Salary Reduction Compensation as defined in Section 5.01(c) that is contributed to his Member Salary Deferral Account where a Member fails to make an affirmative election of a Member Salary Deferral percentage. The Initial Automatic Enrollment Percentage shall be three percent (3%).

Section 1.29. "Investment Committee" means the investment committee appointed by the Board pursuant to Section 12.02.

Section 1.30. "Investment Fund" means those investment funds which may, from time to time, be made available for investment pursuant to Article VIII.

Section 1.31. "Leave of Absence" means any absence or leave approved by an Employee's Employer.

Section 1.32. "Loan Account" means the account maintained by the Administrative Committee for a "Borrower" as defined in Section 8.07 in which a loan by the Borrower made pursuant to that Section is held.

Section 1.33. "Member" means any person who has been admitted to membership in this plan pursuant to Section 2.01 or 2.03 and whose membership has not terminated pursuant to Section 2.02. In addition, for purposes of Article VIII and Section 12.03, the term "Member" includes a former Member or Beneficiary for whom an Account is maintained under the Plan.

Section 1.34. "Member Contributions Account" means the Account maintained for a Member in which are held (a) voluntary contributions made under the Plan by the Member prior to 1989, if any, (b) "member contributions" (as defined in the ECMC Plan) made under the ECMC Plan prior to January 1, 1995, if any, (c) after-tax contributions made under the SCB Savings or Cash Option Plan for Employees, if any, and (d) After-Tax Rollover Contributions made hereunder on or after September 1, 2007, if any.

Section 1.35. "Member Salary Deferral" means an elective salary deferral made by a Member in accordance with Section 5.01.

Section 1.36. "Member Salary Deferral Account" means the Account of a Member established pursuant to Section 8.02 consisting of the balance attributable to his Member Salary

Deferrals. The balance of a Member Salary Deferral Account does not include Roth Elective Deferrals.

Section 1.37. "Normal Retirement Date" means the first day of the calendar month coincident with or next following a Member's sixty fifth (65th) birthday.

Section 1.38. "Permanent Disability" means a physical or mental disability which a licensed physician acceptable to the Company has certified as permanent or likely to be permanent and as rendering the Member unable to perform his customary duties. In the determination of Permanent Disability, the Company shall act in a uniform and non discriminatory manner with respect to all Employees similarly situated.

Section 1.39. "Plan" means this Profit Sharing Plan, as herein set forth, and as hereafter amended from time to time.

Section 1.40. "Plan Year" means the calendar year.

Section 1.41. "Required Beginning Date" means

(a) for a Member who is not a 5 percent owner (as defined in Code Section 416) in the Plan Year in which he attains age 70½ and who attains age 70½ after December 31, 1998, April 1 of the calendar year following the calendar year in which occurs the later of the Member's (i) attainment of age 70½ or (ii) Retirement.

(b) for a Member who (i) is a 5 percent owner (as defined in Code Section 416) in the Plan Year in which he attains age 70½, or (ii) attains age 70½ before January 1, 1999, April 1 of the calendar year following the calendar year in which the Member attains age 70½.

Notwithstanding the foregoing, effective January 1, 2004, the Required Beginning Date of any Member who attained age 70½ prior to January 1, 1998 is the April 1 of the calendar year following the calendar year in which occurs the later of the Member's (i) attainment of age 70½ or (ii) Severance from Employment; provided that, if such a Member who has commenced receiving minimum distributions in accordance with Code Section 401(a)(9) does not elect, pursuant to Section 11.08(h) of the Plan, to cease receiving such minimum distributions, the Required Beginning Date of such Member shall be age 70½.

Section 1.42. "Retirement" means a Severance from Employment (a) on or after a Member's Normal Retirement Date; or (b) on account of his Permanent Disability.

Section 1.43. "Rollover Account" means the Account attributable to contributions and transfers referred to in Section 5.03(a).

Section 1.44. "Rollover Contribution" means an amount contributed or transferred to the Trust in accordance with Section 5.03(a).

Section 1.45. "Roth Elective Deferral" means an elective deferral made in accordance with Section 6.01 that is

(a) designated irrevocably by the Member at the time of the cash or deferred election as a Roth elective deferral that is being made in lieu of all or a portion of the pre-tax elective deferrals the Member is otherwise eligible to make under the Plan; and

(b) treated by the Employer as includible in the Member's income at the time the Member would have received that amount in cash if the Member had not made a cash or deferred election.

Section 1.46. "Roth Elective Deferral Account" means the Account attributable to Roth Elective Deferrals referred to in Section 6.02.

Section 1.46A. "Secure Income Portfolio" or "SIP" means the Secure Income Portfolio element of AllianceBernstein's Lifetime Income Strategy, which is an investment option under the Plan. The Secure Income Portfolio is designed to provide Participants with an insured income stream.

Section 1.47. "Severance from Employment" means termination of employment with an Employer or Affiliate for any reason; provided, however, that no Severance from Employment shall be deemed to occur upon an Employee's transfer from the employ of one Employer or Affiliate to another Employer or Affiliate.

Section 1.47A. "Spouse" means the lawful spouse of a married Member, as defined under Federal law. Accordingly, the terms "married" or "marriage" as used herein shall refer to a marriage to a Spouse, as defined under Federal law.

Section 1.48. "Testing Compensation" means income reported as wages, tips and other compensation on Form W-2 plus pre-tax deductions under Code Sections 125, 132(f), 401(k), and 402(g)(3). Testing Compensation shall include Deemed 125 Compensation, as defined in Section 1.16 of the Plan.

Section 1.49. "Top Paid Group" means the top 20 percent of Employees who performed services for the Employer during the applicable year, ranked according to the amount of "415 Compensation" (determined for this purpose in accordance with Section 1.23) received from the Employer during such year. All Affiliated Employers shall be taken into account as a single employer, and Leased Employees within the meaning of Code Sections 414(n)(2) and 414(o)(2) shall be considered Employees unless such Leased Employees are covered by a plan described in Code Section 414(n)(5) and are not covered in any qualified plan maintained by the Employer. Employees who are non-resident aliens and who received no earned income (within the meaning of Code Section 911(d)(2) from the Employer constituting United States source income within the meaning of Code Section 861(a)(3) shall not be treated as Employees. Additionally, for the purpose of determining the number of active Employees in any year, the following additional Employees shall also be excluded; however, such Employees shall still be considered for the purpose of identifying the particular Employees in the Top Paid Group:

(a) Employees with less than six (6) months of service;

(b) Employees who normally work less than 17 ½ hours per week;

(c) Employees who normally work less than six (6) months during a year; and

(d) Employees who have not yet attained age 21.

Section 1.50. "Trust" means the trust established pursuant to the Trust Agreement to hold the assets of the Plan.

Section 1.51. "Trust Agreement" means the trust agreement providing for the Trust Fund.

Section 1.52. "Trust Fund" means all the assets of the Plan which are held by the Trustee under the Trust Agreement.

Section 1.53. "Trustee" means the trustee or trustees from time to time in office under the Trust Agreement.

Section 1.54. "Unallocated Forfeitures Account" means the Account to be maintained by the Administrative Committee pursuant to Section 10.06(b).

Section 1.55. "Uncashed Check Account" means the Account to be maintained by the Administrative Committee pursuant to Section 10.06(d).

Section 1.56. "Unit" means a unit representing the assignment of beneficial ownership of limited partnership interests in AllianceBernstein Holding L.P.

Section 1.57. "Years of Service" means the aggregate period of service with which an Employee is credited under the provisions of Article III.

ARTICLE II

MEMBERSHIP

Section 2.01. Admission to the Plan.

(a) Each individual who was a Member of the Plan on December 31, 1988 and who did not cease to be a Member on that date shall continue to be a Member on January 1, 1989. Each Employee whose Employment Commencement Date was before January 1, 1989 and who prior to January 1, 1989 completed at least one (1) Year of Service shall become a Member on January 1, 1989, or on the first Entry Date subsequent to the date on which he attains his twenty first (21st) birthday, whichever is later, provided he is an Employee on such January 1, 1989 or other Entry Date, as applicable. Each Employee who would have been eligible to participate in the ECMC Plan as of January 1, 1995, if the ECMC Plan had not been merged with and into this Plan effective that date, shall become a Member of this Plan on January 1, 1995. Any person who was either (i) a participant in the SCB Savings or Cash Option Plan for Employees prior to December 31, 2003 or (ii) eligible to participate in the SCB Savings or Cash Option Plan for Employees prior to December 31, 2003, shall become a Member for all purposes of the Plan on January 1, 2004, or if not an Employee on January 1, 2004, on the Employee's rehire date.

(b) Except as otherwise provided in Section 2.01(a) or 2.03, an Employee of an Employer shall become a Member of the Plan solely for purposes of eligibility to make Member Salary Deferrals, on the first Entry Date subsequent to the Employee's Employment Commencement Date (and, prior to January 1, 2007, or, if later, the first Entry Date subsequent to the date on which he attains his twenty first (21st) birthday).

(i) Except as otherwise provided in Section 2.01(a) or 2.03, an Employee of an Employer shall become a Member of the Plan, solely for purposes of eligibility to receive Company Contributions under Articles IV and VII, on the later of:

(A) the first Entry Date subsequent to the date on which he attains his twenty first (21st) birthday, or

(B) the first Entry Date subsequent to the first Anniversary Year in which he completes one (1) Year of Service.

(c) Each Employee who is employed by an Affiliate that is not an Employer and who subsequently becomes an Employee of an Employer shall become a Member of the Plan:

(1) immediately upon becoming an Employee of such Employer, if he previously satisfied the age (if any) and service requirements of Subsection (b); or

(2) in accordance with Subsection (b), if he does not become a Member pursuant to Subsection (c)(1).

(d) Notwithstanding anything contained herein to the contrary, an individual classified by the Employer at the time services are provided as either an independent contractor,

or an individual who is not classified as an Employee due to an Employer's treatment of any services provided by him as being provided by another entity which is providing such individual's services to the Employer, shall not be eligible to participate in this Plan during the period the individual is so initially classified, even if such individual is later retroactively reclassified as an Employee during all or part of such period during which services were provided pursuant to applicable law or otherwise. Leased Employees will not be eligible to participate in this Plan.

Section 2.02. Termination of Membership and Inactive Membership.

(a) A Member shall cease to be a Member as of the date of his Severance from Employment, if he incurs a Break in Service in the Anniversary Year of such Severance from Employment or in the following Anniversary Year.

(b) A Member shall become an Inactive Member as of the last day of his first Anniversary Year in which he completes five hundred (500) or fewer Hours of Service without having incurred a Severance from Employment. An Inactive Member shall continue to be such until either (1) the date on which he ceases to be a Member pursuant to Subsection (a) or (2) the date on which he again becomes a Member pursuant to Section 2.03.

Section 2.03. Readmission to the Plan.

A former Member shall again become a Member coincident with or immediately after the date he becomes an employee, provided he is an Employee of an Employer on such rehire date. An Inactive Member shall become a Member coincident with or immediately after the date he returns to active employment.

Section 2.04. Designation of Beneficiary.

(a) Each Member may designate in writing on a form prescribed by and filed with the Administrative Committee, a Beneficiary to receive the aggregate balance of his Accounts and his Loan Account, if any, in the event that his death should occur before the entire amount of such balance has been paid to him, except that if the Member has an Eligible Spouse, such designation shall not be effective unless the Eligible Spouse has consented in writing to the designation of a Beneficiary other than such Eligible Spouse and such consent is witnessed by a member of the Administrative Committee or a Notary Public. In addition, such designation may include the designation of a secondary Beneficiary to receive such death benefit if the primary Beneficiary does not qualify or survive.

(b) If no Beneficiary has been designated, or if, for any reason no person qualifies as a Beneficiary at the time of the Member's death, or if no designated Beneficiary survives the Member, the interest of the deceased Member shall be paid to the Eligible Spouse. If the Member has no Eligible Spouse, the Administrative Committee may, but shall not be required to, designate a Beneficiary, but only from among the Member's Spouse, descendants (including adoptive descendants), parents, brothers and sisters or nephews and nieces and may consider requests from any Beneficiary which it designates as to the manner of payment of the benefit. If

the Administrative Committee declines to make such designation, the benefit payable hereunder upon the Member's death shall be paid in a lump sum to his estate.

(c) "Eligible Spouse" means, subject to applicable federal law and except to the extent as may otherwise be provided in any "qualified domestic relations order" within the meaning of Code Section 414(p):

(1) in the case of a Member who dies before the distribution of his Retirement benefit pursuant to Section 11.01, his lawfully married Spouse on the date of his death.

(2) in the case of a Member who dies after the commencement of any installment payment pursuant to Section 11.01, his lawfully married Spouse on the date such payments commenced.

Section 2.05. Qualified Military Service Provisions.

Notwithstanding any provision of this Plan to the contrary, effective as of December 12, 1994, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u). Notwithstanding anything to the contrary contained in this Plan, in the case of a Participant who dies on or after January 1, 2007 while performing qualified military service (as such term is defined in Section 414(u) of the Code), the survivors of the Participant shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would have been provided under the Plan had the Participant resumed employment with the Employer, and then terminated employment with the Employer on account of death. Effective January 1, 2009, a person who receives differential wage payments as defined in Code Section 3401(h)(2) from the Employer will be treated as an Employee of the Employer for purposes of participating in the Plan.

Notwithstanding the treatment of an individual receiving differential wage payments as an Employee, such Member shall be treated as having incurred a Severance from Employment during any period such Member is performing service in the uniformed services while on active duty for a period of more than 30 days. In the event a Member who is deemed to incur a Severance of Employment due to performing services in the uniformed services as provided in the preceding sentence, such Member may elect to take a distribution of the portion of his Account attributable to elective deferrals or other employee contributions in accordance with Section 10.05, except that such Member may not make an elective deferral as defined in Code Section 414(u)(2)(C) for six months following the date of the distribution pursuant to such deemed Severance of Employment.

ARTICLE III

CREDITING OF SERVICE

Section 3.01. Year of Service.

Each Employee shall be credited with one Year of Service for each Anniversary Year ending after December 31, 1975 during which he completes more than five hundred (500) Hours of Service; provided, however, that:

(a) if an individual becomes a Member of the Plan after December 31, 1975, he shall not receive credit for a Year of Service for any Anniversary Year before the Anniversary Year in which he first completes one thousand (1,000) Hours of Service; and

(b) an Employee shall be credited with a Year of Service for the last Anniversary Year during which he is an Employee only if he completes at least one thousand (1,000) Hours of Service in such Anniversary Year.

Section 3.02. Number of Years of Service.

An Employee's aggregate number of Years of Service shall be computed by adding (a) his number of Years of Service completed since his last Break in Service, if any, and (b) the number of Years of Service restored pursuant to Section 3.03.

Section 3.03. Restoration of Service.

(a) If a former Member again becomes a Member after having incurred a Break in Service, he shall be credited with the Years of Service which he had completed prior to such Break in Service for all purposes.

(b) If a former Member:

(1) has incurred a number of consecutive Breaks in Service which equals or exceeds the greater of (A) five (5) or (B) the number of his Years of Service before such Breaks in Service;

(2) never had a vested interest in his Salary Deferral Account or Roth Elective Deferral Account and had no vested interest in his Company Contributions Account at the time of such Break in Service; and

(3) again becomes a Member,

his Years of Service prior to such Breaks in Service shall be disregarded for all purposes under this Plan.

Section 3.04. Service with Non-employer Affiliates.

Any Years of Service completed by an Employee while in the employ of an Affiliate that is not an Employer shall be credited under this Article III on the same basis as service with an Employer.

Section 3.05. Service with Equitable Capital Management Corporation.

For purposes of determining an Employee's eligibility to participate in the Plan under Article II and vesting under Section 10.04, the Employee shall be credited under the Plan with the number of "hours of service" and "years of service," as such terms are defined in the ECMC Plan, credited to that Employee for the corresponding purpose under the ECMC Plan immediately prior to January 1, 1995, including service credited under the Equitable Investment Plan for Employees, Managers and Agents maintained by The Equitable Life Assurance Society of the United States, but disregarding in determining such Employee's eligibility to participate and vesting under this Plan any periods of service which were disregarded under the ECMC Plan, such as service disregarded due to "breaks in service", as defined in the ECMC Plan. Notwithstanding anything to the contrary in this Section 3.05 or elsewhere in the Plan, no period shall be taken into account more than once in determining the Hours of Service and Years of Service of any Employee by reason of this Section 3.05.

Section 3.06. Service with Shields and Regent.

For purposes of determining an Employee's eligibility to participate in the Plan under Article II and vesting under Section 10.04, in the case of an Employee who was an employee of either Shields Asset Management, Incorporated ("Shields") or Regent Investor Services Incorporated ("Regent") on March 4, 1994 and on that date became an Employee of an Employer or an Affiliate, the Employee's service with Shields or Regent on or prior to such date shall be considered as service with an Employer or an Affiliate.

Section 3.07. Cursitor Service.

For purposes of determining an Employee's eligibility to participate in the Plan under Article II and vesting under Section 10.04, in the case of an Employee who was an employee of Cursitor Holdings, L.P. or Cursitor Holdings Limited (individually and collectively, "Cursitor") on February 29, 1996, and on that date either was employed by or continued in the employment of Cursitor Al1iance LLC, Cursitor Holdings Limited, Draycott Partners, Ltd. or Cursitor Eaton Asset Management Company, the Employee's service with Cursitor on or prior to that date shall be considered as service with an Emp1oyer or an Affiliate.

Section 3.08. Sanford Bernstein Members.

With respect to each Employee who was an employee of either Sanford C. Bernstein & Co, Inc. ("SCB") or Bernstein Technologies Inc. ("BTI") or one of their respective subsidiaries and who became an Employee of an Employer or an Affiliate on or after October 2, 2000, the

Employee’s service with SCB, BTI and their respective subsidiaries on or prior to such date shall be considered as service with an Employer or Affiliate.

ARTICLE IV

COMPANY CONTRIBUTIONS

Section 4.01. Company Profit Sharing Contributions.

The Board shall determine the Company Contribution, if any, which shall be contributed to the Trust Fund out of the Company's current and accumulated earnings and allocated to the Members' Company Contributions Accounts pursuant to Article VII in respect of each Plan Year. No Company Contribution under this Section 4.01 or Section 4.02 may be made which cannot be allocated under the provisions of Article XVII. For purposes of this Section 4.01 and Section 4.02, "current and accumulated earnings" means current and accumulated net income for book purposes. Notwithstanding anything herein to the contrary, a Member for purposes of Article IV means only those Employees who have satisfied the applicable age and service requirements of Sections 2.01(a), (b)(ii) or (c).

Section 4.02. Company Matching Contributions.

Effective for Plan Years beginning after December 31, 1989, the Company shall contribute to the Trust Fund out of the Company's current and accumulated earnings an amount equivalent to that percentage, not to exceed 100% of each Member's Member Salary Deferral elected for the Plan Year involved, such percentage to be fixed by the Board; provided that the Company may establish a limit on the amount of Member Salary Deferrals that are so matched specified either as a dollar amount or as a percentage of Compensation and provided further that any such limit may be established based on the period in which any individual is a Member of the Plan. The contribution determined under this Section 4.02 for a particular Member shall be allocated to the Member's Company Contributions Account on the basis of that Member's Member Salary Deferrals for that Plan Year, subject to any Company-established limits on Member Salary Deferrals to be matched for that Plan Year. For purposes of this Section 4.02, no contribution shall be made pursuant to this Section 4.02 with respect to Catch-up Contributions.

Section 4.03. Time of Contributions.

Contributions may be made in one or more installments at such time or times during the Plan Year, or during any additional period provided by law for the making of contributions in respect of such Plan Year, as the Company shall determine. Except as otherwise provided in the Plan, for purposes of valuing the Trust Fund and making allocations to Accounts, all contributions in respect of any Plan Year shall be deemed to have been made on the last Accounting Date of the Plan Year, regardless of the actual date of contribution.

Section 4.04. Irrevocability of Contributions.

(a) Except as provided in Subsection (b), any and all contributions made by the Company shall be irrevocable and shall be transferred to the Trustee to be used in accordance with the provisions of this Plan for providing the benefits and paying the expenses thereof. Neither such contributions nor any income therefrom shall be used for, or diverted to, purposes

other than for the exclusive benefit of Members or their Beneficiaries and payment of expenses of this Plan and the Trust.

(b) (1) If any contribution is made to this Plan by a mistake of fact, such contribution shall be returned to the Company within one (1) year following the date that such contribution is made.

(2) Each Company Contribution made to this Plan is conditioned upon its deductibility under Code Section 404. Each contribution, to the extent disallowed as a deduction, may be returned to the Company within one (1) year following the date of disallowance.

ARTICLE V

MEMBER SALARY DEFERRAL ELECTIONS,
SALARY DEFERRAL CONTRIBUTIONS
AND ROLLOVER CONTRIBUTIONS

Section 5.01. Member Salary Deferral Elections.

(a) For each Plan Year beginning after December 31, 2005, any Member may elect to defer the receipt of a portion of his "Salary Reduction Compensation" while a Member for the Plan Year, in such increments that the Board, the Investment Committee or the Administrative Committee may decide, and direct the Employer to contribute the amount so deferred into the Trust to be invested in the Investment Fund or Funds designated by the Member. A Member's election shall be made in a form prescribed by the Administrative Committee filed with the Member's Employer, prior to the date that the Compensation would, but for the election, be made available to the Member, and the election shall remain in effect until it is modified or terminated, all in accordance with rules established by the Administrative Committee. In no event may a Member's salary deferral exceed the $18,000 dollar limitation (or any higher amount that may be allowed by Treasury Regulations), as provided in Code Section 402(g). Any Member's salary deferral for any pay period may be further adjusted, at the Administrative Committee's direction and discretion, to comply with the discrimination standards applicable to Code Section 401(k) arrangements in particular, to all plans qualified under Code Section 401(a) in general, and/or with the limitations contained in Article XVII.

(b) (1) Effective on and after September 1, 2007, in accordance with any rules, regulations and/or administrative guidelines prescribed by the Investment Committee or the Administrative Committee and unless and until otherwise elected by a Member, a Member who fails to make an affirmative election with regard to his Member Salary Deferral percentage shall be deemed as having made an election (A) to make contributions to his Member Salary Deferral Account pursuant to Section 5.01(a) equal to the Initial Automatic Enrollment Percentage and (B) if no proper election is on file, to invest such contributions in the Investment Fund or Funds prescribed by the Investment Committee in its sole discretion for such purpose. For purposes of this Section 5.01(b), an Employee who satisfies the requirements to be a Member and whose deferral percentage in effect as of the first payroll period on or after September 1, 2007 is zero percent (0%) and who has no Member Salary Deferral Account balance shall be auto-enrolled hereunder unless such Employee makes an affirmative election regarding his enrollment in accordance with the rules, regulations and/or administrative guidelines prescribed by the Investment Committee or the Administrative Committee.

(2) Effective with respect to Plan Years beginning on or after January 1, 2009, an Employee who satisfies the requirements to be a Member as of the first payroll period commencing on or after each February 1 and whose Member Salary Deferral percentage in effect for such payroll period is zero percent (0%) shall be auto-enrolled hereunder effective with the first administratively feasible payroll that occurs sixty (60) days after that payroll date, unless such Employee makes an affirmative election regarding his

enrollment in accordance with the rules, regulations and/or administrative guidelines prescribed by the Investment Committee or the Administrative Committee.

(3) Effective on and after January 1, 2009, unless or until a Member makes an affirmative election otherwise, such a Member's deemed election shall automatically be increased by one percent (1%) each January 1 to a maximum of five percent (5%) and effective on and after January 1, 2011, to a maximum of seven percent (7%) of Salary Reduction Compensation; provided, however, that if a Member's Employment Commencement Date occurs on or after July 1 of a Plan Year, such automatic increase shall not apply in the following Plan Year. No deemed election nor automatic increase described in this Section 5.01(b) shall result in the Member's salary deferral exceeding the deferral limitation set forth in Section 5.01(a) above without respect to Catch-up Contributions under Section 5.07. The Investment Committee or the Administrative Committee may establish and adopt written rules, regulations and/or administrative guidelines designed to facilitate the administration and operation of the provisions of this paragraph, as it may deem necessary or proper, in its sole discretion.

(4) Notwithstanding this Section 5.01(b), a Member may affirmatively elect to make contributions to his Member Salary Deferral Account in an amount equal to, less than or greater than the Initial Automatic Enrollment Percentage or the automatically increased contribution percentage, as applicable subject to such deferral limitation.

(c) "Salary Reduction Compensation" means a Member's base salary, Draw and other draws, overtime pay, bonuses and commissions received for services rendered to an Employer, which term shall include the amount of a Member's Member Salary Deferral and any other salary deferrals pursuant to Code Sections 401(k), 125 or 132(f), but shall not include, by way of example rather than by way of limitation, severance pay, distributions on Units, reimbursement for moving expenses, reimbursement for educational or other expenses, contributions or benefits paid under this Plan or any other plan of deferred compensation, expatriate tax equalization or similar payments, or any other extraordinary item of compensation or income. In addition, Salary Reduction Compensation shall not include amounts paid to non-resident aliens which do not constitute income from United States sources (within the meaning of Code Section 862) except in the case of a non-resident alien who is a Member and for whom the Company so specifies. Salary Reduction Compensation shall include Deemed 125 Compensation, as defined in Section 1.16 of the Plan. Salary Reduction Compensation may also include regular pay after Severance from Employment if: (i) the payment is regular compensation from services rendered during the Member's regular working hours, or compensation for services outside the Member's regular working hours (such as overtime or shift differential), commissions, bonuses, accrued sick pay or vacation pay, or other similar payments; and (ii) the payment would have been made to the Member prior to Severance from Employment if the Member had continued in employment with the Employer, provided such amounts are paid no later than the later of two and one-half (2-1/2) months following Severance from Employment or the last day of the Plan Year in which the Severance from Employment occurs. Salary Reduction Compensation for any Plan Year shall not exceed the applicable Code Section 401(a)(17) dollar limit. All Member

Salary Deferrals shall cease in the payroll period in which Severance from Employment occurs or as soon as administratively feasible thereafter.

Section 5.02. Allocation of Member Salary Deferral Elections.

A Salary Deferral Election made in accordance with Section 5.01 shall be allocated among the Investment Funds in accordance with the provisions of Section 8.03.

Section 5.03. Rollover Contributions and After-Tax Rollover Contributions.

(a) An Employee may, with the consent of the Administrative Committee, contribute to the Plan, or authorize the plan sponsor, administrator or trustee of a qualified employee benefit plan in which he previously participated to transfer to the Trust, any distribution or other payment or amount which is permitted to be contributed or transferred to the Trust in accordance with Code Section 402, 403(a) or 408(d)(3)(A)(ii) or any other applicable provision of the Code or the regulations or rulings thereunder permitting the contribution or transfer. Any such Rollover Contribution shall be received by the Trustee subject to the condition precedent that its transfer complies in all respects with the requirements of the applicable Code provisions, regulations or rules pertaining thereto and, upon any discovery that any such contribution or transfer does not so comply, the amount of the Rollover Contribution, together with all changes in the value of the Trust Fund allocated thereto, shall revert to the individual by or on whose behalf it was made as of the next following Accounting Date. The decision of the Administrative Committee for the Trust to accept a Rollover Contribution shall not give rise to any liability by the Administrative Committee, the Company, the Plan or the Trustee to the Employee or any other party on account of a subsequent determination that such Rollover Contribution does not qualify to be held in the Trust. A Rollover Contribution may, subject to the consent of the Administrative Committee, be made at any time during the Plan Year, shall not be subject to the limitations of Article XVII, and shall as of the Accounting Date next following receipt of the Rollover Contribution by the Trustee be allocated in full to the Member's Rollover Account except as regards the amount thereof equal to the Member's voluntary contributions, if any, to a qualified plan, which amount shall be allocated to the Member's Member Contributions Account. Until so allocated the amount of a Rollover Contribution shall be held unallocated in the Trust Fund.

Notwithstanding the foregoing provisions of this Section, effective January 1, 2004, the Plan will accept a Rollover Contribution from a qualified plan described in Sections 401(a) or 403(a) of the Code, an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and the portion of a distribution from an individual retirement account or annuity described in Section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in the Member's taxable gross income.

(b) Subject to the provisions of Section 5.03(a) above, effective on and after September 1, 2007, the Plan shall accept a rollover of After-Tax Rollover Contributions that

would not otherwise be includible in the Member's taxable gross income. Prior to such date, a rollover of after tax employee contributions is not permitted hereunder.

(c) Notwithstanding anything herein, the Plan will accept a rollover contribution of Roth Elective Deferrals only if it is a direct rollover from another Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code Section 402(c).

(d) Each Employee or former Employee who becomes a participant in a pension, profit sharing or stock bonus plan described in Code Section 401(a) (a "transferee plan") may, not later than thirty (30) days (or such lesser period as is acceptable to the Administrative Committee) prior to any Accounting Date, request the Administrative Committee to direct the Trustees to, and upon such request, the Administrative Committee in its sole discretion may direct the Trustees to, transfer in cash the non-forfeitable balance in such Employee's Accounts to an account maintained by any such transferee plan on the Employee's behalf, as of such Accounting Date; provided, however, that such transferee plan permits such transfer.

(e) Any Employee who makes or causes to be made a contribution or transfer pursuant to Subsections (a) or (b) and who has not become a Member pursuant to the provisions of Article II shall, except for purposes of Sections 4.01, 5.01 and 7.01, be considered a Member of this Plan.

Section 5.04. Return of Excess Member Salary Deferral Elections.

(a) Notwithstanding any other provisions of the Plan, a Member may request the Administrative Committee in writing to have distributed to the Member from the Trust the amount of the Member Salary Deferrals which are in excess of the amount permitted under Code Section 402(g) for such calendar year ("Excess Deferrals"). If such request is received by the Administrative Committee no later than the March 1 following the end of the preceding calendar year in which such Excess Deferrals were made, then distribution of the Excess Deferrals will be made to the Member no later than April 15 of the calendar year for which the request is made, if administratively feasible.

(b) With respect to Plan Years beginning on January 1, 2006 and January 1, 2007, Excess Deferrals claimed under Subsection (a) above shall be adjusted for earnings and losses through the date of distribution, and with respect to Plan Years beginning on or after January 1, 2008, Excess Deferrals shall be adjusted for earnings and losses through the last day of the Plan Year for which they were made.

Section 5.05. Actual Deferral Percentage Test.

(a) As used in this Section 5.05, each of the following terms shall have the meaning for that term set forth in this Section 5.05:

(i) Actual Deferral Percentage means the ratio (expressed as a percentage) of Member Salary Deferrals (other than Excess Deferrals of non Highly Compensated

Employees made under plans maintained by the Company or an Affiliate) on behalf of the Member for the Plan Year to the Member's Testing Compensation for the Plan Year.

(ii) Average Actual Deferral Percentage means the average (expressed as a percentage) of the Actual Deferral Percentages of the Members in a group, including those Members whose Actual Deferral Percentage is zero.

(b) For each Plan Year, the amount of Member Salary Deferrals shall be subject to the following:

(i) For Plan Years beginning on or after January 1, 2001, the Average Actual Deferral Percentage for Members who are Highly Compensated Employees for the Plan Year must satisfy one of the following tests:

(A) The Average Actual Deferral Percentage for Members who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for Members who are non-Highly Compensated Employees for the Plan Year multiplied by 1.25; or

(B) The Average Actual Deferral Percentage for Members who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for Members who are non-Highly Compensated Employees for the Plan Year multiplied by 2.0, provided that the Average Actual Deferral Percentage for Members who are Highly Compensated Employees does not exceed the Average Actual Deferral Percentage for Members who are non-Highly Compensated Employees by more than two (2) percentage points.

(ii) For Plan Years prior to 1997, the Excess Contributions (as defined in Section 5.06) under the Plan shall be eliminated by reducing the Member Salary Deferral of each Highly Compensated Employee in order of Actual Deferral Percentage beginning with the highest percentage. For Plan Years after 1996, the Excess Contributions (as defined in Section 5.06) under the Plan shall be eliminated by reducing the Member Salary Deferral of each Highly Compensated Employee in order of the dollar amount of Member Salary Deferrals on behalf of such Highly Compensated Employee, beginning with the highest dollar amount.

(c) For purposes of determining the Actual Deferral Percentage of a Member for a Plan Year, a Member Salary Deferral shall be taken into account only if such Member Salary Deferral: (i) is attributed to the Member's Account as of a date within the Plan Year; (ii) is not contingent upon any subsequent event (except as may be necessary to comply with the Code); (iii) is actually paid to the Trust within one year of the end of the Plan Year; and (iv) relates to Salary Reduction Compensation which would have been received by the Member in the Plan Year but for the Member's election to defer. Any Member Salary Deferral that fails to satisfy the foregoing requirements shall be treated as a contribution by the Employer which is not subject to Code Section 401(k) or 401(m).

(d) (i) For purposes of this Section 5.05, the Actual Deferral Percentage for any Member who is a Highly Compensated Employee for the Plan Year and who is eligible to have elective deferrals allocated to his or her account under two or more plans or arrangements described in Code Section 401(k) that are maintained by the Company or an Affiliate shall be determined as if all such elective deferrals were made under a single arrangement.

(ii) If two or more plans are aggregated for purposes of Code Section 410(b) or 401(a)(4), such plans shall be aggregated for purposes of the Average Actual Deferral Percentage test.

Section 5.06. Return of Excess Contributions.

(a) Notwithstanding any other provision of the Plan, any amount determined by the Administrative Committee to be an "Excess Contribution" as determined under Section 5.05(b)(ii), shall be distributed to Members who are Highly Compensated Employees by no later than the last day of the Plan Year following the Plan Year in which the Excess Contribution occurred.

(b) "Excess Contribution" for purposes of this Section 5.06 means a Member Salary Deferral attributable to a Highly Compensated Employee which exceeds the maximum amount of such deferral permitted under Code Section 401(k)(3)(A)(ii), and which is described in Code Section 401(k)(8)(B), plus the income allocable to such amount. The allocable income shall be calculated by multiplying the total income earned on all of the Member Salary Deferrals for the Plan Year in which the Excess Contribution is being returned by a fraction, the numerator being the Member Salary Deferral in excess of the permitted amount and the denominator being the Member's account balance in his Member Salary Deferral Account and Roth Elective Deferral Account, as applicable, on the Accounting Date of the prior Plan Year. The Excess Contribution otherwise distributable under this Section 5.06 shall be adjusted for investment losses and for prior distributions to the Members affected, as permitted by Treasury Regulations. Effective with respect to nondiscrimination testing for Plans Years beginning on January 1, 2006 and January 1, 2007, income shall be allocated to Excess Contributions otherwise distributable under this Section 5.06 during the period between the end of the Plan Year and the date of distribution of the Excess Contributions (the "Gap Period") in accordance with the guidance published by the Department of Treasury. Effective with respect to Plan Years beginning on or after January 1, 2008, income shall not be allocated to Excess Contributions during the Gap Period, unless otherwise required pursuant to guidance published by the Department of Treasury. The Excess Contributions attributable to all Highly Compensated Employees, in the aggregate, shall be determined as the sum of the Excess Contributions (if any) determined for each Highly Compensated Employee, as follows: The amount (if any) by which the Member Salary Deferral of each Highly Compensated Employee must be reduced for the Member's Actual Deferral Percentage to equal the highest permitted Actual Deferral Percentage under the Plan shall be determined. To calculate the highest permitted Actual Deferral Percentage under the Plan, the Actual Deferral Percentage of the Highly Compensated Employee with the highest Actual Deferral Percentage is reduced by the amount required to cause the Employee's Actual Deferral Percentage to equal the Actual Deferral Percentage of the Highly Compensated Employee with the next highest Actual Deferral Percentage. If a lesser reduction would enable the Plan to

satisfy the Actual Deferral Percentage test, only this lesser reduction may be made. This process must be repeated until the Plan would satisfy the Actual Deferral Percentage test. The sum of the foregoing reductions determined for each Highly Compensated Employee shall equal the dollar amount of the Excess Contributions attributable to all Highly Compensated Employees, in the aggregate.

Section 5.07. Catch-up Contributions.

(a) Notwithstanding any other provision of the Plan (other than this Section 5.07), in accordance with election procedures set forth in Subsection (b) below, a Catch-up Eligible Member (as defined in Subsection (e) below) may make additional Member Salary Deferrals (which, pursuant to Section 6.01(b) below, shall include Roth Elective Deferrals) for any Plan Year, without regard to: (i) the limitations on Member Salary Deferral Elections set forth in Section 5.01; (ii) the limitations provided in Code Sections 401(a)(30), 402(h), 403(b)(1)(E), 404(h), 408(k), 408(p), 415(c) or 457(b)(2) (without regard to Section 457(b)(3)), and without regard to any Plan provisions which effectuate the limitations in this Subsection; (iii) the Actual Deferral Percentage limitations described in Article V of the Plan and Code Section 401(k)(3), but only, in the case of clause (iii) as applied to a Member who is a Highly Compensated Employee, to the extent of the highest amount of Member Salary Deferrals that could be retained under the Plan by such Member for such year in accordance with Article V and Code Section 401(k)(8)(C) (the "Applicable Maximum"); or (iv) except as provided in Code Section 414(v)(4), any of the requirements of Code Sections 401(a)(4), 401(k)(3), 401(k)(11), 403(b)(12), 408(k), 410(b), or 416. To the extent the Member Salary Deferrals by a Catch-up Eligible Member for any year exceed the Applicable Maximum, such Member's Member Salary Deferrals shall be deemed to be Catch-up Contributions under the Plan.

(b) The Catch-up Contributions by any Member during any Plan Year shall not exceed $6,000 for any year or such other amount as provided under Code Section 414(v). The Catch-Up Contribution elections and changes shall be on a form acceptable to the Administrative Committee in accordance with its rules and regulations.

(c) This Section 5.07 is intended to comply with Code Section 414(v), Treasury Regulation Section 1.414(v)-1, and any successor or other guidance issued by the Department of Treasury, and accordingly shall be interpreted consistently with such intention.

(d) "Catch-up Contribution" means a contribution under the Plan by a Catch-up Eligible Member, pursuant to Section 5.07.

(e) "Catch-up Eligible Member" means a Member who (a) is eligible to make Member Salary Deferrals pursuant to Section 5.01 and (b) is age 50 or older. For purposes of Subsection (b) above, a Member who is projected to attain age 50 before the end of the Plan Year shall be deemed to be age 50 as of January 1 of such Plan Year. The determination of a "Catch-up Eligible Member" shall be made in accordance with the requirements of Treasury Regulation Section 1.414(v)-1 and any successor or other guidance provided under Code Section 414(v) by the Department of Treasury.

ARTICLE VI

ROTH ELECTIVE DEFERRALS

Section 6.01. General Application.

(a) Effective as of the later of January 1, 2009 or such other date determined by the Investment Committee in its sole discretion, the Plan will accept Roth Elective Deferrals made on behalf of Members. A Member's Roth Elective Deferrals will be allocated to a separate account maintained for such contributions as described in Section 6.02 of the Plan.

(b) Unless specifically stated otherwise, Roth Elective Deferrals will be treated as Member Salary Deferrals for all purposes under the Plan.

Section 6.02. Separate Accounting.

(a) Contributions and withdrawals of Roth Elective Deferrals will be credited and debited to the Roth Elective Deferral Account maintained for each Member.

(b) The Plan will maintain a record of the amount of Roth Elective Deferrals in each Member's Account.

(c) Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to each Member's Roth Elective Deferral Account and the Member's other Accounts under the Plan.

(d) No contributions (or forfeitures) other than Roth Elective Deferrals and properly attributable earnings will be credited to each Member's Roth Elective Deferral Account.

Section 6.03. Correction of Excess Contributions.

In the case of a distribution of Excess Contributions, Roth Election Deferrals will be distributed first and then pre-tax elective deferrals will be distributed. Effective as of January 1, 2009, in the case of a distribution of Excess Contributions, pre-elective tax deferrals will be distributed first and then Roth Elective Deferrals will be distributed.

ARTICLE VII

ALLOCATIONS OF COMPANY CONTRIBUTIONS AND FORFEITURES

Section 7.01. Contributions.

(a) Members Eligible to Share in Company Contributions.

The Company Contribution for each Plan Year shall be allocated and credited to the Members' Company Contributions Account in accordance with this Article as of the last Accounting Date of the Plan Year (immediately following the allocation of income and appreciation in accordance with Section 9.01) among those Members who are Employees of an Employer or an Affiliate on the Accounting Date. Notwithstanding the foregoing, the Company Contributions Account of any Member who (i) is eligible to be credited with a Company Matching Contribution pursuant to Section 2.01(b)(ii) if he does not experience a Severance from Employment, and (ii) experiences a Severance from Employment and immediately thereafter becomes an employee of State Street Bank and Trust Company ("State Street") in connection with the transfer of certain Investment Management Operation functions for the Company's Private Client and Institutional businesses to State Street (a "State Street Transferred Employee") shall be credited with the Company Matching Contribution for the Plan Year in which such transaction occurs (with respect to such Member's Member Salary Deferrals contributed to the Plan on Salary Reduction Compensation earned prior to Severance from Employment) notwithstanding that such State Street Transferred Employee will not be an Employee of an Employer or an Affiliate on the Accounting Date; provided however, that the Company Matching Contribution shall only be credited to the Company Contributions Account of the State Street Transferred Employees who are Highly Compensated Employees to the extent that such contribution does not violate Code Section 401(a)(4) or 410(b). Notwithstanding anything herein to the contrary, a Member for purposes of Article VII means only those Employees who have satisfied the applicable age and service requirements of Sections 2.01(a), (b)(ii), or (c).

(b) Allocation of Company Contribution.

The Company Contribution under Section 4.01 for each Plan Year, determined without regard to Section 6.02(c), shall be allocated among the Members eligible for allocation in the proportion which each such Member's Compensation for such Plan Year while a Member bears to the total Compensation for all Members eligible to share in allocations pursuant to Subsection (a). The Company Contribution under Section 4.02 shall be allocated on the same basis upon which it was determined.

Section 7.02. Allocation to Company Contributions Accounts.

Effective for Plan Years beginning after December 31, 1989, the entire amount allocated under Section 7.01(b) to a Member for a Plan Year shall be credited to his Company Contributions Account.

Section 7.03. Actual Contribution Percentage Test.

(a) As used in this Section 7.03, each of the following terms shall have the meaning for that term set forth below:

(i) Average Contribution Percentage means the average (expressed as a percentage) of the Contribution Percentages of the Members in a group, including those Members whose Contribution Percentage is zero.

(ii) Company Matching Contribution means the Company Contribution described in Section 4.02 of the Plan.

(iii) Contribution Percentage means the ratio (expressed as a percentage) of a Member's Company Matching Contributions (excluding Company Matching Contributions forfeited hereunder to correct Excess Aggregate Contributions or because the contributions to which they relate are Excess Deferrals, Excess Contributions or Excess Aggregate Contributions) to the Member's Testing Compensation for the Plan Year.

(b) Company Matching Contributions for each Plan Year must satisfy one of the following tests:

(i) For Plan Years beginning on or after January 1, 2001, the Average Contribution Percentage for Members who are Highly Compensated Employees for the Plan Year shall not exceed the Average Contribution Percentage for Members who are non Highly Compensated Employees for the Plan Year multiplied by 1.25; or

(ii) For Plan Years beginning on or after January 1, 2001, the Average Contribution Percentage for Members who are Highly Compensated Employees for the Plan Year shall not exceed the Average Contribution Percentage for Members who are non Highly Compensated Employees for the Plan Year multiplied by 2.0, provided that the Average Contribution Percentage for Members who are Highly Compensated Employees does not exceed the Average Contribution Percentage for Members who are non Highly Compensated Employees by more than 2 percentage points.

In satisfying the Actual Contribution Percentage Test set forth above, Member Salary Deferrals may be treated as if they were Company Matching Contributions, provided that the requirements of Treasury Regulation Section 1.401(m)-2(a)(6)(ii) are satisfied. If used to satisfy the Actual Contribution Percentage Test, such Member Salary Deferrals shall not be used to help other Member Salary Deferrals satisfy the Actual Deferral Percentage Test (as described in Section 401(k)(2) of the Code), set forth in Section 5.05 hereof except as otherwise permitted by applicable law.

(c) For purposes of determining the Contribution Percentage of a Member for a Plan Year, the Member's Company Matching Contributions shall be taken into account only if such Company Matching Contributions (i) are based on the Member's Member Salary Deferrals

(which, pursuant to Section 6.01(b) below, shall include Roth Elective Deferrals) for such Plan Year; (ii) are attributed to the Member's Account as of a date within such Plan Year; and (iii) are paid to the Trust by the end of the twelfth month following the close of such Plan Year. Any Company Matching Contribution that fails to satisfy the foregoing requirements shall be treated as a contribution which is not subject to Code Section 401(m).

(d) (i) For purposes of this Section 7.03, the Contribution Percentage for any Member who is a Highly Compensated Employee for the Plan Year and who is eligible to receive Company Matching Contributions or to make Employee after tax contributions under one or more other plans described in Code Section 401(a) that are maintained by the Company or an Affiliate shall be determined as if all such contributions were made under a single plan.

(ii) If two or more plans are aggregated for purposes of Code Section 410(b) or 401(a)(4), such plans shall be aggregated for purposes of the Average Contribution Percentage test.

Section 7.04. Return of Excess Aggregate Contributions.

(a) Notwithstanding any other provision of the Plan, any amount determined by the Administrative Committee to be an "Excess Aggregate Contribution" as defined in Subsection (b), shall be distributed to Members who are Highly Compensated Employees by no later than the last day of the Plan Year following the Plan Year in which the Excess Aggregate Contribution occurred. For Plan Years prior to 1997, the Excess Aggregate Contributions (as defined in Section 7.04(b)) under the Plan shall be eliminated by reducing the Company Matching Contributions of each Highly Compensated Employee in order of Contribution Percentage beginning with the highest percentage. For Plan Years after 1996, the Excess Aggregate Contributions (as defined in Section 7.04(b)) under the Plan shall be eliminated by reducing the Company Matching Contributions of each Highly Compensated Employee in order of the dollar amount of Company Matching Contributions on behalf of such Highly Compensated Employee, beginning with the highest dollar amount.

(b) "Excess Aggregate Contribution" for purposes of this Section 7.04 means a Company Matching Contribution attributable to a Highly Compensated Employee which exceeds the maximum amount of such Company Matching Contributions permitted under Code Section 401(m)(3), and which is described in Code Section 401(m)(6)(B), plus the income allocable to such amount. The allocable income shall be calculated by multiplying the total income earned on all of the Member's Company Matching Contributions for the Plan Year in which the Excess Aggregate Contribution is being returned by a fraction, the numerator being the Member Company Matching Contributions in excess of the permitted amount and the denominator being the Member's account balance in his Company Contribution Account attributable to Company Matching Contributions on the Accounting Date of the prior Plan Year. The Excess Contribution otherwise distributable under this Section 7.04 shall be adjusted for investment losses and for prior distributions to the Members affected, as permitted by Treasury Regulations. Effective with respect to nondiscrimination testing for Plan Years beginning on January 1, 2006 and January 1, 2007, income shall be allocated to Excess Aggregate Contributions during the Gap Period in accordance with guidance published by the Department

of Treasury. Effective with respect to Plan Years beginning on or after January 1, 2008, income shall not be allocated to Excess Aggregate Contributions during the Gap Period, unless otherwise required pursuant to guidance published by the Department of Treasury. The Excess Aggregate Contributions attributable to all Highly Compensated Employees, in the aggregate, shall be determined as the sum of the Excess Aggregate Contributions (if any) determined for each Highly Compensated Employee, as follows: The amount (if any) by which the Company Matching Contribution of each Highly Compensated Employee must be reduced for the Member's Contribution Percentage to equal the highest permitted Contribution Percentage under the Plan shall be determined. To calculate the highest permitted Contribution Percentage under the Plan, the Contribution Percentage of the Highly Compensated Employee with the highest Contribution Percentage is reduced by the amount required to cause the Employee's Contribution Percentage to equal the Contribution Percentage of the Highly Compensated Employee with the next highest Contribution Percentage. If a lesser reduction would enable the Plan to satisfy the Actual Contribution Percentage Test, only this lesser reduction may be made. This process must be repeated until the Plan would satisfy the Actual Contribution Percentage Test. The sum of the foregoing reductions determined for each Highly Compensated Employee shall equal the dollar amount of the Excess Aggregate Contributions attributable to all Highly Compensated Employees, in the aggregate.

ARTICLE VIII

ACCOUNTS, ALLOCATIONS AND LOANS

Section 8.01. Investment Funds.

Subject to the provisions of any applicable state and Federal securities laws and to the regulations and rulings of any regulatory agencies administering such laws, the Trustee shall, at the direction of the Investment Committee, establish separate Investment Funds within and as a part of the Trust Fund for the purpose of investing the balances held in the Accounts and in the Unallocated Forfeitures Account.

Section 8.02. Separate Accounts.

The Administrative Committee shall maintain a separate Company Contributions Account, Member Contributions Account, Member Salary Deferral Account, Roth Elective Deferral Account, Rollover Account and Loan Account for each Member as relevant. Any amount transferred from a Member's "Company Matching Contribution Account" under the ECMC Plan (as defined thereunder) shall be held in the Member's Rollover Account. The Administrative Committee and/or the Investment Committee shall maintain records of each Member's balance in each such Account and each Investment Fund in which the Account is invested in order to provide an accurate and current statement to the Member pursuant to Section 9.09. Effective January 1, 1995, each account of a participant or beneficiary under the ECMC Plan shall automatically be deemed an Account of the corresponding type under the Plan for the Member or Beneficiary for whom such account was maintained under the ECMC Plan.

Section 8.03. Investing of the Company Contributions.

All contributions allocated to a Member's Account shall be allocated among the Investment Funds in accordance with a Member's investment election(s). If no proper election is on file governing the contributions involved, such contributions shall be invested in the Investment Fund(s) specified for such purpose by the Investment Committee.

Section 8.04. Elections.

(a) The Investment Committee shall prescribe such rules as it deems appropriate regarding the form, filing frequency and timeliness of elections under Section 8.03 as well as concerning the percentage or amounts of a contribution which may be invested in an Investment Fund. In these rules, the Investment Committee may specify that each Account of a Member be invested in the Investment Funds selected by the Member in the same proportion, or the Investment Committee may prescribe such other rule as it deems appropriate with respect to any Account. An election properly on file shall remain in force until changed.

Section 8.05. Inter-Account Transfers.

(a) A Member may elect, on a form provided by and timely filed with the Investment Committee and/or the Administrative Committee, to transfer all or a portion of the balance of any

Account which is invested in an Investment Fund to one or more other Investment Funds. The Investment Committee and/or the Administrative Committee shall prescribe such rules as it deems appropriate regarding the frequency and timeliness of elections and the percentage of or amount from an Account which may be so transferred.

(b) A transfer made pursuant to an election pursuant to Subsection (a) shall be effected as soon as administratively practicable immediately following timely receipt by the Investment Committee of the election.

Section 8.06. Unallocated Forfeiture Account.

The amount held from time to time in the Unallocated Forfeiture Account shall be allocated among the Investment Funds as specified by the Investment Committee.

Section 8.07. Loans.

(a) Notwithstanding anything in this Plan to the contrary, the Investment Committee and/or the Administrative Committee, in its discretion, may authorize a loan to a Member who is a "party in interest" with respect to the Plan within the meaning of Section 3(14) of the Act under the circumstances listed in Subsection (b) below:

(b) (1) loans shall be made available on a reasonably equivalent basis;

(2) loans shall not be made available to Highly Compensated Employees in a manner that is more favorable than the manner loans are made available to other Members;

(3) loans shall bear a reasonable rate of interest;

(4) loans shall be adequately secured; and

(5) loans shall provide for repayment over a reasonable period of time.

(c) Loans made pursuant to this Section (when added to the outstanding balance of all other loans made by the Plan to the Member) shall be limited to the lesser of:

(1) $50,000 reduced by the excess (if any) of the highest outstanding balance of loans from the Plan to the Member during the one-year period ending on the day before the date on which such loan is made, over the outstanding balance of loans from the Plan to the Member on the date on which such loan was made, or

(2) one-half (1/2) of the present value of the non-forfeitable accrued benefit of the Member under the Plan.

For purposes of this limit, all plans of the Employer shall be considered one plan.

(d) Loans shall provide for level amortization with payment to be made not less frequently than quarterly over a period not to exceed five (5) years, unless the loan is for the purpose of acquiring a dwelling unit used within a reasonable time as the principal residence of the Member. All loans shall be due and payable upon termination of employment.

(e) All loans shall be made pursuant to a Member loan program. Such loan program shall be established in writing by the Investment Committee and/or the Administrative Committee and must include, but need not be limited to, the following:

(1) the identity of the person(s) or position(s) authorized to administer the Member loan program;

(2) a procedure for applying for loans;

(3) the basis on which loans will be approved or denied;

(4) limitations, if any, on the types and amounts of loans offered;

(5) the procedure under the program for determining a reasonable rate of interest;

(6) the types of collateral which may secure a Member loan; and

(7) the events constituting default and the steps that will be taken to preserve Plan assets.

Such Member loan program shall be contained in a separate written document which, when properly executed, is hereby incorporated by reference and made a part of the Plan. Furthermore, such Member loan program may be modified or amended by the Investment Committee and/or the Administrative Committee in writing from time to time without the necessity of amending this Section.

(f) Notwithstanding any other provision to the contrary, a Borrower who has a loan (or loans) outstanding under the SCB Savings or Cash Option Plan for Employees on December 31, 2003 which is transferred to the Plan as a result of the merger of SCB Savings or Cash Option Plan for Employees into the Plan shall be entitled to keep such loan (or loans) outstanding under the Plan until the loan (or loans) is repaid pursuant to the terms of such outstanding loan (or loans).

ARTICLE IX

VALUATION

Section 9.01. Valuation of Trust Fund.

All changes in the value of each Investment Fund as determined by the Trustee in accordance with the Trust Agreement (including income and expenses and realized and unrealized appreciation and depreciation of assets of the Investment Fund, determined in the case of mutual funds by reference to the net asset value of such mutual funds on the Accounting Date, but excluding Company Contributions, Member Salary Deferrals and contributions or transfers pursuant to Section 5.03 made or allocated subsequent to the last preceding Accounting Date), shall be allocated by the Investment Committee and/or the Administrative Committee among the Company Contributions Accounts, Member Contributions Accounts, Member Salary Deferral Accounts, Roth Elective Deferral Accounts, Rollover Accounts and the Uncashed Check Account, portions of which are held in the Investment Fund as of each Accounting Date pro rata to the value of all such Accounts, respectively, at the last preceding Accounting Date, but first reducing the balance of each such Account as of the last preceding Accounting Date by any distributions from the Account since that Accounting Date.

Section 9.02. Valuation of Company Contributions Accounts.

The value of a Member's Company Contributions Account as of any Accounting Date shall be the aggregate of the portions of such Account invested in each Investment Fund as of that date. The value of that portion of such Account invested in an Investment Fund shall be the sum of:

(a) the value of such portion as of the last preceding Accounting Date, plus or minus

(b) all changes in the value of the Investment Fund since the last preceding Accounting Date allocable thereto pursuant to Section 9.01, plus

(c) the amount of transfer, if any, into such portion and the amount of the Company Contribution, if any, allocable thereto since the last preceding Accounting Date pursuant to Article VII, minus

(d) any distributions from, and transfers out of, such portion since the last preceding Accounting Date.

Section 9.03. Valuation of Member Contributions Account.

The value of a Member Contributions Account as of any Accounting Date shall be the aggregate of the portions of such Account invested in each Investment Fund as of that date. The value of that portion of such Account invested in an Investment Fund shall be the sum of:

(a) the value of such portion as of the last preceding Accounting Date, plus or minus

(b) all changes in the value of the Investment Fund since the last preceding Accounting Date allocable thereto pursuant to Section 9.01, plus

(c) the amount, if any, transferred into such portion pursuant to Section 5.04 in an amount equal to voluntary contributions by the Member to the transferor qualified plan or pursuant to Section 8.05, minus

(d) any distributions from, and transfers out of, such portion since the last preceding Accounting Date.

Section 9.04. Valuation of Member Salary Deferral Accounts.

The value of a Member Salary Deferral Account as of any Accounting Date shall be the aggregate of the portions of such Account invested in each Investment Fund as of that date. The value of that portion of such Account invested in an Investment Fund shall be the sum of:

(a) the value of such portion as of the last preceding Accounting Date, plus or minus

(b) all changes in the value of the Investment Fund since the last preceding Accounting Date allocable thereto pursuant to Section 9.01, plus

(c) the amount, if any, transferred into such portion pursuant to Section 8.05 and the amount of Member Salary Deferrals, if any, allocable thereto since the last preceding Accounting Date, minus

(d) any distributions from, and transfers out of, such portion since the last preceding Accounting Date.

Section 9.05. Valuation of Roth Elective Deferral Accounts.

The value of a Roth Elective Deferral Account as of any Accounting Date shall be the aggregate of the portions of such Account invested in each Investment Fund as of that date. The value of that portion of such Account invested in an Investment Fund shall be the sum of:

(a) the value of such portion as of the last preceding Accounting Date, plus or minus

(b) all changes in the value of the Investment Fund since the last preceding Accounting Date allocable thereto pursuant to Section 9.01, plus

(c) the amount, if any, transferred into such portion pursuant to Section 8.05 and the amount of Roth Elective Deferrals, if any, allocable thereto since the last preceding Accounting Date, minus

(d) any distributions from, and transfers out of, such portion since the last preceding Accounting Date.

Section 9.06. Valuation of Rollover Accounts.

The value of a Rollover Account as of any Accounting Date shall be the aggregate of the portions of such Account invested in each Investment Fund as of that date. The value of that portion of such Account invested in an Investment Fund shall be the sum of:

(a) the value of such portion as of the last preceding Accounting Date, plus or minus

(b) all changes in the value of the Investment Fund since the last preceding Accounting Date allocable thereto pursuant to Section 9.01, plus

(c) the amount of transfer, if any, into such portion since the last preceding Accounting Date pursuant to Section 5.03(a), minus

(d) any distributions from, and transfers out of, such portion since the preceding Accounting Date.

Section 9.07. Valuation of Uncashed Check Account.

The value of the Uncashed Check Account as of any Accounting Date shall be the aggregate of the portions of such Account invested in each Investment Fund as of that date. The value of that portion of such Account invested in an Investment Fund shall be the sum of:

(a) the value of such portion as of the last preceding Accounting Date, plus or minus

(b) all changes in the value of the Investment Fund since the last preceding Accounting Date allocable thereto pursuant to Section 9.01, plus

(c) the amount, if any, transferred into such portion pursuant to Section 10.06(d) since the last preceding Accounting Date, minus

(d) any distributions from, and transfers out of, such portion since the last preceding Accounting Date.

Section 9.08. Valuation of Loan Accounts.

The value of a Loan Account as of any Accounting Date shall be the amount of the outstanding principal and accrued interest on the loan held therein plus the amount of any cash held therein as of an Accounting Date.

Section 9.09. Statement to Members.

The Administrative Committee shall mail or deliver to each Member a statement of the value of his Accounts and his Loan Account, if any, on a quarterly basis.

Section 9.10. Unallocated Forfeitures Account

The value of the Unallocated Forfeitures Account shall be determined as provided in Section 9.02 applied as if the addition to the Unallocated Forfeitures Account was a Company Contributions Account.

ARTICLE X

DETERMINATION OF BENEFITS

Section 10.01. Retirement.

Upon a Member's Retirement on or after his Normal Retirement Date, he shall become entitled, at the time specified in Article XI, to a distribution of his Accounts and his Loan Account, if any, valued as of the Accounting Date specified in Section 11.01.

Section 10.02. Disability.

Upon a Member's Retirement on account of his Permanent Disability, the Member shall become entitled, at the time specified in Article XI, to a distribution of his Accounts and his Loan Account, if any, valued as of the Accounting Date applicable under Section 11.02.

Section 10.03. Death.

Upon a Member's death, his Eligible Spouse or, if there is no Eligible Spouse or the Eligible Spouse consents in the manner required under Section 2.04(a) to the designation of a Beneficiary, that Beneficiary shall become entitled, at the time specified in Article XI, to a distribution of the then balance of such Member's Accounts and his Loan Account, if any, valued as of the Accounting Date applicable under Section 11.03; provided, however, that if a valuation date was already fixed for payment pursuant to Article XI due to the Member's Retirement or Permanent Disability, that date shall be used.

Section 10.04. Vesting.

(a) Any Member who is employed by an Employer or an Affiliate on or after September 1, 2007 shall be fully vested in his Company Contributions Account.

(b) Any Member who is not employed by an Employer or an Affiliate on or after September 1, 2007 and who had Company Contributions credited to his Account as of December 31, 1988 shall at all times be fully (100%) vested in the balance in his Accounts. Effective for Plan Years beginning after December 31, 1988, any individual who became a Member after that date and who is not employed by an Employer or an Affiliate on or after September 1, 2007 shall be fully (100%) vested in the balance in his Accounts if, prior to his Severance from Employment, he completed three (3) Years of Service calculated from the Member's Employment Commencement Date or reached his Normal Retirement Date prior to his Severance from Employment. A Member shall be at all times fully (100%) vested in the balance in his Member Contributions Account, if any, his Member Salary Deferral Account, if any, his Roth Elective Deferral Account, if any, his Rollover Account, if any, and his Loan Account, if any. In addition, if a Participant dies during a period of qualified military service, he shall be treated as fully (100%) vested in the balance in his Accounts.

(c) Notwithstanding any other provision to the contrary, each Member who was a participant in the SCB Savings or Cash Option Plan for Employees prior to December 31, 2003 shall be fully vested in his Account.

Section 10.05. Other Severance from Employment.

In the event of a Member's Severance from Employment other than by reason of death, Retirement or Permanent Disability, he shall be entitled to a distribution of the entire balance in his Member Contributions Account, if any, his Member Salary Deferral Account, if any, his Roth Elective Deferral Account, if any, his Loan Account, if any, his Rollover Account, if any, and the vested balance in his Company Contributions Account, if any, determined as of the Accounting Date applicable under Section 11.04. Such distributions shall be made in the manner and at the time provided in Article XI. The unvested portion of the Member's Company Contributions Account shall be forfeited upon the Accounting Date coincident with or immediately following the Member's Severance from Employment.

Section 10.06. Forfeitures.

(a) A Member who separates from service prior to the full vesting of his entire Company Contributions Account, shall forfeit the unvested balance in that Account upon the Accounting Date coincident with or immediately following the Member's Severance from Employment. If the Member subsequently recommences employment prior to incurring five (5) consecutive Breaks in Service, he shall be recredited with the forfeited amounts as soon as administratively feasible upon recommencement of employment.

(b) Any amount held in an Unallocated Forfeiture Account may be applied to reduce the Company Contribution to be made to the Trust or to pay administrative expenses of the Plan, at the election of the Administrative Committee in its sole discretion. Any Company Contributions made to the Plan in error and any other excess amounts received by the Plan in error may be held in a subaccount under the Unallocated Forfeiture Account until applied in accordance with the foregoing.

(c) Effective January 1, 1995, amounts credited to the "unallocated forfeitures account" (as defined under the ECMC Plan) under the ECMC Plan shall be transferred to the Unallocated Forfeitures Account.

(d) Effective on and after September 1, 2007, in the event that any portion of a distribution payable to a Member hereunder shall be unclaimed for a period designated by the Administrative Committee, such amount shall be allocated to the Uncashed Check Account, and if the amount remains unclaimed from such account at the expiration of a period determined by the Administrative Committee, the amount so distributable shall be held in an Unallocated Forfeiture Account until applied in accordance with the foregoing. In the event the Member is located subsequent to his benefit being forfeited, such benefit shall be restored. The Administrative Committee will establish and adopt related rules, regulations and/or administrative guidelines designed to facilitate the administration of unclaimed checks, including the institution of any procedures intended to ascertain the whereabouts of a missing Member, and

may cease to implement the procedure set forth in this paragraph and any other related rules, regulations and/or administrative guidelines in its discretion at any time.

ARTICLE XI

TIME AND MANNER OF PAYMENT OF BENEFITS

Section 11.01. Retirement Benefits.

(a) Form of Benefits.

(1) Lump Sum. Except as provided in Section 11.01(a)(2) or (3), retirement benefits, determined pursuant to Section 10.01, shall be paid in a single or partial cash lump sum, valued as of the Accounting Date immediately preceding the payment.

(2) Installment Option.

(A) Solely with Respect to Amounts Not Invested in the Secure Income Portfolio. With respect to the portion of a Member's Account that is invested in any investment vehicle other than the SIP, a Member who has had a Severance from Employment may elect to have his retirement benefits distributed in the form of installment payments, to be paid monthly (or at such other frequency as the Administrative Committee may make available for Members to elect), or in a combination of installment payments and partial cash lump sum distributions, which elections may be modified by the Member in accordance with guidelines determined by the Administrative Committee and the requirements of Code Section 401(a)(9).

(B) Solely with Respect to Amounts Invested in the SIP.

(i) Generally. With respect to the portion of a Member's Account that is invested in the SIP, a Member who has had a Severance from Employment may elect to receive installment payments which shall be paid for the life of the applicable Member monthly or at such other frequency as the Administrative Committee may make available for Members to elect and which payments may be made directly by an insurance company in accordance with the terms of the applicable investment vehicle.

(ii) Withdrawals after Commencement of Benefits. Notwithstanding anything herein to the contrary, after commencement of a Member's benefits in the form of installment payments pursuant to Section 11.01(a)(2)(B)(i), such Member may elect to withdraw all or a portion of his Account in the form of a single or partial lump-sum distribution (provided that any partial distribution is at least $1,000), subject to the terms of the applicable investment vehicle. A benefit distribution made pursuant to this Section 11.01(a)(2)(B)(ii) will result in a pro rata reduction of the Member's remaining installment payments in accordance with the terms of the applicable investment vehicle.

(iii) Election to Skip Payments after Commencement of Benefits. Notwithstanding anything herein to the contrary, after commencement of a Member's benefits in the form of installment payments pursuant to Section 11.01(a)(2)(B)(i), such Member may elect to skip certain future installment payments, subject to the terms of the applicable investment vehicle and the requirements of Code Section 401(a)(9). Such election made pursuant this Section 11.01(a)(2)(B)(iii) will not result in an automatic recalculation of the Member's installment payments to be paid in the Member's future Birthday Years, but will result in a recalculation of the remaining benefit payments to be paid in the Member's Birthday Year in which such election to skip an installment payment is effective. Notwithstanding the foregoing, in accordance with the terms of the applicable investment vehicle, payments in future Birthday Years may be adjusted.

(3) Qualified Joint and Survivor Benefit - Solely for Amounts Invested in the SIP. Solely with respect to the portion of a Member's Account that is invested in the SIP, unless the Member elects otherwise in accordance with the provisions set forth in Section 11.01(b) below, the entire amount of his vested Account that is invested in the SIP shall be used to provide a nonforfeitable and nontransferable "qualified joint and survivor" benefit with a guaranteed payment stream provided by an insurance company (selected by the Investment Committee) in accordance with the terms of the applicable investment vehicle. For purposes hereof, a "qualified joint and survivor" benefit means (i) with respect to a married Member, a periodic benefit payment for the life of the Member with a periodic benefit payment paid to the surviving Member's Spouse for the life of the Member's Spouse that is 50% of the amount of the benefit payment which is payable during the life of the Member, and (ii) with respect to an unmarried Member, a periodic benefit payment for the life of the Member. A married Member who is entitled to a 50% joint and survivor benefit may alternatively select without the consent of the Member's Spouse, in accordance with the provisions set forth in Section 11.01(b) below, a survivor benefit that is 75% of the amount of the periodic benefit payment which is payable during the life of the Member, which is intended to satisfy the requirements for a qualified optional survivor annuity under Section 401(a)(11)(A) of the Code.

(b) Administrative Procedures. A Member who wishes to commence the distribution of his Retirement benefits shall notify the Administrative Committee of such intent no sooner than thirty (30) days following the Member's Severance from Employment. Such distribution shall be made to the Member on or as soon as administratively feasible following the retirement pension starting date selected by the Member as provided below. The Member may only select a retirement pension starting date which may not be more than one hundred-eighty (180) days after such election and, except as provided below, may not be less than thirty (30) days after such election. Except as provided below, the Administrative Committee shall provide the Member with a notice as to his or her rights and benefits under the Plan not more than one-hundred-eighty (180) days or less than thirty (30) days prior to the Member's Accounting Date.

Solely with respect to the portion, if any, of a Member's Account that is invested in the SIP, such written notice shall notify the Member in writing of his right to waive payment of his benefit in the form of a "qualified joint and survivor" benefit and to elect another form of benefit provided under Section 11.01(a), and shall include an explanation of the terms and conditions of the "qualified joint and survivor" benefit, the right to waive that form of benefit (and the effect of doing so), the right to revoke the waiver and the rights of his Spouse under the law.

Subject to the terms of the applicable investment vehicle, if a Member Activates the portion of his Account invested in the SIP, he may not invest any additional funds in the SIP.

Notwithstanding the foregoing, a Member may elect a retirement pension starting date earlier than thirty (30) days after receiving such notice from the Company, provided that:

(A) the Administrative Committee clearly informs the Member that the Member has a right to a period of at least thirty (30) days after receiving such notice to consider the decision of whether or not to elect a distribution; and

(B) the distribution commences no less than seven (7) days after such notice is provided.

(c) Spousal Consent.

(1) With Respect to Amounts Subject to the Joint and Survivor Benefit Requirement. In the case of a Member who has a Spouse, with respect to the portion of a Member's Account that is subject to the "joint and survivor" benefit requirement pursuant to Section 11.01(a)(3) above, an election to waive payment of the Member's benefit in the form of a "qualified joint and survivor" benefit or to designate a Beneficiary other than the Member's Spouse shall not be effective without the written consent of the Member's Spouse. Such elections described above shall also designate a Beneficiary (and a form of benefits) which may not be changed without consent of the Spouse. Such consent shall contain an acknowledgment of the effect upon the Spouse of the waiver by the Member of benefits in the form of a "qualified joint and survivor" benefit. A Member may revoke an election to waive payment in the form of a "qualified joint and survivor" benefit (without spousal consent) at any time during the election period specified in Section 11.01(b). Such consent shall be obtained within the 180-day period ending on the retirement pension starting date, as described in Section 11.01(b), and shall be irrevocable.

(2) With Respect to Amounts Not Subject to the Joint and Survivor Benefit Requirement. In the case of a Member who has a Spouse, with respect to the portion of a Member's Account that is not subject to the "joint and survivor" benefit requirement pursuant to Section 11.01(a)(3) above, an election to designate a Beneficiary other than the Member's Spouse shall not be effective without the written consent of the Member's Spouse. For the avoidance of doubt, subject to the terms of the applicable investment vehicle, a Member is not required to select the same distribution options nor select the same Beneficiary with respect to the portion of his account not subject to the "joint and

survivor" benefit requirement pursuant to Section 11.01(a)(3) as he does for the portion of his Account subject to such requirement.

(3) Administrative Procedures. Spousal consent shall not be required if it is established to the satisfaction of the Committee that consent may not be obtained because there is no Spouse, because the Spouse cannot be located, or because of such other circumstances as may exist as may be prescribed by regulations. Any election or revocation of an election by a Member, or spousal consent by a Spouse pursuant to this Section 11.01(c) shall be made on an appropriate form and shall not be deemed effective until delivered in writing to the Administrative Committee or its designee. Any spousal consent obtained pursuant to this Section 11.01(c) shall be witnessed by a notary public.

(d) Qualified Domestic Relations Orders. Notwithstanding anything herein to the contrary and subject to the terms of the applicable investment vehicle, if a "qualified domestic relations order," as defined in Code Section 414(p), is issued before the time a Member Activates the portion of his Account invested in the SIP, the Member's "alternate payee" shall not be eligible to receive a secure income withdrawal amount under the SIP and the Administrative Committee, or its designee, shall be authorized to transfer any amount under the Lifetime Income Strategy to which the alternate payee has a right to a different investment portfolio under the Lifetime Income Strategy in accordance with the procedures set forth by the Administrative Committee. If a "qualified domestic relations order" is issued after the time a Member Activates the portion of his Account invested in the SIP, the alternate payee will receive an amount based upon the percentage of the SIP awarded under such qualified domestic relations order until (1) if a single-life form of withdrawal has been elected, the Member's death or (2) if a joint-life form of withdrawal has been selected, the death of the joint-Spouse alternate payee.

(e) Death of Member. Notwithstanding anything herein to the contrary and subject to the terms of the applicable investment vehicle, if a Member dies before the time such Member Activates the portion of his Account invested in the SIP, the Member's Beneficiary shall not be entitled to receive any secure income withdrawal amount and the Administrative Committee, or its designee, shall transfer the portion of such deceased Member's Account to an investment portfolio under the Lifetime Income Strategy other than the SIP in accordance with the procedures set forth by the Administrative Committee. If a Member dies after the time such Member Activates the portion of his Account invested in the SIP, (1) if a single-life form of withdrawal has been elected, all benefits attributable to the secure income withdrawal amount shall cease upon the death of the Member but (2) if a joint-life form of withdrawal has been elected, the Member's Spousal Beneficiary shall continue to receive the secure income withdrawal amount until the time of such Spouse's death, provided that such Spouse is the same Spouse who was designated as the Member's Beneficiary at the time of Activation.

(f) Compliance with Applicable Guidance. Notwithstanding anything herein to the contrary, this Section 11.01 is intended to, and shall be interpreted to, comply with Internal Revenue Service Private Letter Ruling 201048044 issued to the Company on September 9, 2010 and other applicable law.

Section 11.02. Disability Benefits.

Disability benefits, determined pursuant to Section 10.02 shall be paid or commence to be paid at the time and in the manner provided in Section 11.01 (substituting Permanent Disability for Retirement).

Section 11.03. Death Benefits.

Subject to Section 11.01(e), death benefits, determined pursuant to Section 10.03, shall be paid to the Member's Beneficiary at the time and in the manner provided in Section 11.01 (substituting death for Retirement), subject to Code Section 401(a)(9). Notwithstanding the foregoing, for periods prior to January 1, 2011, death benefits, determined pursuant to Section 10.03, shall be paid to the Member's nonspousal Beneficiary in a single cash sum as soon as reasonably practicable after the Member's death.

Section 11.04. Termination Benefits.

The benefits payable to a Member upon his Severance from Employment, determined pursuant to Section 10.05, shall, subject to Section 11.09, be paid or commence to be paid at the time and in the manner provided in Section 11.01 (substituting Severance from Employment for Retirement).

Section 11.05. Direct Rollover Distributions.

(a) Upon receiving directions from a Member who is eligible to receive a distribution from the Plan pursuant to the provisions of this Article XI which constitutes an "eligible rollover distribution," as defined in Code Section 402(c)(4), to transfer all or any part of such distribution to an "eligible retirement plan," as defined in Code Section 402(c)(8)(B) or to a Roth IRA as discussed in Code Section 408A (subject to the restrictions therein), the Administrative Committee shall cause the portion of the distribution which the Member has elected to so transfer to be transferred directly to such "eligible retirement plan"; provided, however, that the Member shall be required to notify the Administrative Committee of the identity of the eligible retirement plan at the time and in the manner that the Administrative Committee shall prescribe and the Administrative Committee may require the Member or the eligible retirement plan to provide a statement that the eligible retirement plan is intended to be qualified under Code Section 401(a) (if the plan is intended to be so qualified) or otherwise meets the requirements necessary to be an "eligible retirement plan."

(b) Notwithstanding anything herein a direct rollover of a distribution from a Roth Elective Deferral Account under the Plan will only be made to another Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) or to a Roth IRA described in Code Section 408A, and only to the extent the rollover is permitted under the rules of Code Section 402(c).

(c) Eligible rollover distributions from a Member's Roth Elective Deferral Account are taken into account in determining whether the total amount of the Member's Account balance under the Plan exceeds $1,000 for purposes of mandatory distributions from the Plan.

(d) Upon receiving instructions from a Beneficiary who is the Member's Eligible Spouse or an alternate payee under a "qualified domestic relations order" as defined in Code Section 414(p), in either case who is eligible to receive a distribution pursuant to the provisions of Article VIII that constitutes an "eligible rollover distribution" as defined in Code Section 402(c)(4), to transfer all or any part of such distribution to a plan that constitutes an "eligible retirement plan" under Code Section 402(c)(8)(B) with respect to that distribution, the Administrative Committee shall cause the portion of the distribution which such Eligible Spouse or alternate payee has elected to so transfer to the eligible retirement plan so designated.

(e) The Administrative Committee may accomplish the direct transfer described in Subsection (a) or (b), as applicable, by delivering a check to the Member, Eligible Spouse or alternate payee (in each case, a "Distributee") which is payable to the trustee, custodian or other appropriate fiduciary of the "eligible retirement plan," or by such other means as the Administrative Committee may in its discretion determine. The Administrative Committee may establish such rules and procedures regarding minimum amounts which may be the subject of direct transfers and other matters pertaining to direct transfers as it deems necessary from time to time.

(f) In the case of an "eligible rollover distribution" to a nonspousal distributee (a "Nonspouse Rollover"), an "eligible retirement plan" is an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) that was established for the purpose of receiving the distribution on behalf of such nonspousal distributee. Effective as of January 1, 2008, the definition of "eligible retirement plan" shall also include a Roth IRA described in Code Section 408A (subject to the limitations therein). In order for such eligible retirement plan to accept a Nonspouse Rollover on behalf of a nonspousal distributee (1) a direct trustee-to-trustee transfer must be made to such eligible retirement plan and shall be treated as an eligible rollover distribution for purposes of the Code, (2) the individual retirement plan shall be treated as an inherited individual retirement account or individual retirement annuity (within the meaning of Code Section 408(d)(3)(C)) for purposes of the Code, and (3) Code Section 401(a)(9)(B) (other than clause (iv) thereof) shall apply to such plan. Any Nonspouse Rollover shall be made in accordance with the Pension Protection Act of 2006, Internal Revenue Service Notice 2007-7 and any subsequent guidance.

Section 11.06. Latest Commencement of Benefits.

Notwithstanding other provision of the Plan to the contrary, a Member shall be eligible to receive payment, or to commence payment, under the Plan of his benefits no later than sixty (60) days after the end of the Plan Year in which the latest of the following occurs:

(a) the Member's attainment of age his Normal Retirement Date;

(b) The tenth (10th) anniversary of the year in which the Member began participation in the Plan; or

(c) The Member's Severance from Employment.

Section 11.07. Indirect Payment of Benefits.

If any Member or Beneficiary is, in the judgment of the Administrative Committee, legally, physically or mentally incapable of personally receiving and receipting for any payment due hereunder, payment may be made to the guardian or other legal representative of such Member or Beneficiary or, if none, to any other person or institution, which, in the opinion of the Administrative Committee, is then maintaining or has custody of such Member or Beneficiary. Such payment shall constitute a full discharge with respect to the obligations hereunder.

Section 11.08. Limitations on Distributions.

Notwithstanding anything to the contrary contained in this Plan:

(a) The entire interest of each Member must either:

(1) be paid to him not later than the Required Beginning Date; or

(2) commence to be paid to him by not later than the Required Beginning Date and paid, in accordance with regulations prescribed by the Secretary of the Treasury, over a period not extending beyond the life expectancy of the Member or the joint and last survivor life expectancy of the Member and his Designated Beneficiary; provided, however, that if the distribution of a Member's Account balances has commenced in accordance with this Paragraph (2), any portion remaining to be distributed at the Member's death shall continue to be distributed at least as rapidly as under the method of distribution in effect as of such Member's death.

(b) If a Member dies prior to the commencement of distributions to him in accordance with Paragraph (a)(2), the entire interest of the Member shall be distributed:

(1) not later than December 31 of the calendar year which contains the fifth anniversary of the Member's death; or

(2) where distribution is to be made to the Member's Designated Beneficiary, commencing

(A) on or before December 31 of the calendar year immediately following the calendar year in which the Member died; or

(B) if the Designated Beneficiary is the Member's surviving Spouse, no later than the later of the date described in Paragraph (A), above or December 31 of the calendar year in which such Member would have attained age seventy and one half (70 1/2), and payable, in accordance with regulations

prescribed by the Secretary of the Treasury, over a period not extending beyond the life expectancy of such Designated Beneficiary.

(c) For purposes of Paragraphs (a)(2) and (b)(2), prior to the Required Beginning Date, the Member (or his Spouse, if the Spouse is the Member's Beneficiary) may make an irrevocable election to have the Member's (and/or his Spouse's) life expectancy recalculated not more frequently than annually. If no such election is made prior to the Member's Required Beginning Date, the Member's (and/or his Spouse's) life expectancy shall automatically be recalculated annually.

(d) Under regulations prescribed by the Secretary of the Treasury, any amount paid to a Member's child shall be treated as if it had been paid to such Member's surviving Spouse if such amount will become payable to such Spouse upon the child reaching maturity or such other designated event which may be permitted under such regulations.

(e) For purposes of this Section 11.08, the term "Designated Beneficiary" shall mean a Member's surviving Spouse or an individual designated by the Member pursuant to Section 2.04.

(f) Notwithstanding any provision of this Plan to the contrary, the provisions of this Section 11.08 shall be construed in a manner that complies with Code Section 401(a)(9) and, with respect to distributions made on or after January 1, 2001, the Plan will apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with the Treasury Regulations thereunder that were proposed in January 2001, the provisions of which are hereby incorporated by reference. This Subsection (f) shall continue in effect until the end of the last calendar year beginning before the effective date of the final regulations under Code Section 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service.

(g) Effective as of January 1, 2003, notwithstanding anything to the contrary contained in this Plan, distributions shall be made in a manner that complies with Code Section 401(a)(9) and Appendix A attached hereto.

(h) Each Member who (i) attained age 70-½ before January 1, 1999, (ii) commenced distributions pursuant to Code Section 401(a)(9) and (iii) is an Employee of the Employer on January 1, 2004, may make an irrevocable affirmative election, subject to the terms of any applicable "qualified domestic relations order" as defined in Section 414(p) of the Code, to cease receiving such distributions at any time prior to the Member's Severance from Employment.

Section 11.09. Consent to Distributions.

No amount shall be distributed to a Member pursuant to Section 11.01, 11.02 or 11.04 without his written consent, unless the amount to be distributed to the Member is not in excess of $1,000 ($5,000 prior to March 28, 2005). Notwithstanding the foregoing, if a Member is receiving distributions under the Plan in the form of an installment option pursuant to Section 11.01(a)(2), the Member's Account will not be subject to an automatic distribution pursuant to the preceding sentence even if the value of such Account is not in excess of $1,000. In the event

a Member's consent to a distribution is required pursuant to this Section 11.09, such distribution shall be made or commence to be made as soon as reasonably practicable after the Accounting Date coincident with or next following the date on which such consent is received by the Administrative Committee.

Section 11.10. Pre-Retirement Distribution.

(a) On or after a Member's attainment at age 59-½, the Administrative Committee, at the election of the Member, shall direct the Trustees to make an in-service distribution of any portion of the vested balance of the Member's Account.

(b) Effective on and after September 1, 2007, each Member may elect to withdraw all or a portion of his Member Contributions Account and the actual earnings thereon at any time. Prior to such date, only a Member who was a participant in the SCB Savings or Cash Option Plan for Employees could elect to withdraw his Member Contributions Account and the actual earnings thereon.

(c) In the event that the Administrative Committee makes a distribution pursuant to this Section 11.10, the Member shall continue to be eligible to participate in the Plan on the same basis as any other Employee. Any distribution made pursuant to this Section 11.10 shall be made in a manner consistent with other applicable provisions of this Article XI, including, but not limited to, all notice and consent requirements of Code Section 411(a)(11) and the Regulations thereunder.

Section 11.11. Partial Withdrawals.

Effective on and after September 1, 2007, a Member who has a Severance from Employment but who has not otherwise been paid the balance of his Account pursuant to this Article XI may at any time request a partial distribution of his Account in a minimum amount equal to $1,000 (or the Account balance, if less than $1,000).

ARTICLE XII

ADMINISTRATION OF THE PLAN

Section 12.01. Administrative Committee.

There is hereby created an Administrative Committee for the Plan. The general administration of the Plan on behalf of the Plan Administrator shall be placed in the Administrative Committee.

Section 12.02. Investment Committee.

There is hereby created an Investment Committee for the Plan which shall oversee the investment of the assets of the Trust Fund subject to ERISA.

Section 12.03. Payment of Benefits (Administrative Committee).

The Administrative Committee shall advise the Trustee in writing with respect to all benefits which become payable under the terms of the Plan and shall direct the Trustee to pay such benefits on order of the Administrative Committee. In the event that the Trust Fund shall be invested in whole or in part in one or more insurance contracts, the Administrative Committee shall be authorized to give to any insurance company issuing such a contract such instructions as may be necessary or appropriate in order to provide for the payment of benefits in accordance with the Plan.

Section 12.04. Powers and Authority; Action Conclusive (Administrative Committee).

Except as otherwise expressly provided in the Plan or in the Trust Agreement, or by the Investment Committee, the Administrative Committee shall have the exclusive right, power, and authority, in its sole and absolute discretion, to administer, apply and interpret the Plan, Trust Agreement and any other Plan documents and to decide all matters arising in connection with the operation or administration of the Plan and the Trust. Subject to the immediately preceding sentence, the Administrative Committee shall have all powers necessary or helpful for the carrying out of its responsibilities, and the decisions or action of the Administrative Committee in good faith in respect of any matter hereunder shall be conclusive and binding upon all parties concerned.

Without limiting the generality of the foregoing, the Administrative Committee has the complete authority, in its sole and absolute discretion, to:

(1) Determine all questions arising out of or in connection with the interpretation of the terms and provisions of the Plan except as otherwise expressly provided herein;

(2) Make rules and regulations for the administration of the Plan which are not inconsistent with the terms and provisions of the Plan, and fix the annual accounting period of the trust established under the Trust Agreement as required for tax purposes;

(3) Construe all terms, provisions, conditions of and limitations to the Plan;

(4) Determine all questions relating to (A) the eligibility of persons to receive benefits hereunder, (B) the periods of service, including Hours of Service, Credited Service and Years of Service, and the amount of Compensation of a Member during any period hereunder, and (C) all other matters upon which the benefits or other rights of a Member or other person shall be based hereunder;

(5) Determine all questions relating to the administration of the Plan (A) when disputes arise between the Employer and a Member or his Beneficiary, Spouse or legal representatives, and (B) whenever the Administrative Committee deems it advisable to determine such questions in order to promote the uniform administration of the Plan; and

(6) Interpret Plan terms to reflect the Company's intent, such that in the event of a scrivener's error that renders a Plan term inconsistent with the Company's intent, the Company's intent controls, and any inconsistent Plan term is made expressly subject to this requirement.

All determinations made by the Administrative Committee with respect to any matter arising under the Plan Trust Agreement and any other Plan documents shall be final and binding on all parties. The foregoing list of powers is not intended to be either complete or exclusive and the Administrative Committee shall, in addition, have such powers as the Plan Administrator deems appropriate and delegates to it and such powers as may be necessary for the performance of its duties under the Plan and the Trust Agreement.

Section 12.05. Reliance on Information (Administrative Committee).

The members of the Administrative Committee and any Employer or affiliate thereof (including the Company) and its officers, directors and employees shall be entitled to rely upon all tables, valuations, certificates, opinions and reports furnished by any accountant, trustee, insurance company, counsel or other expert who shall be engaged by the Company or an affiliate thereof or the Administrative Committee, and the members of the Administrative Committee and any Employer or affiliate thereof (including the Company) and its officers, directors and employees shall be fully protected in respect of any action taken or suffered by them in good faith in reliance thereon, and all action so taken or suffered shall be conclusive upon all persons affected thereby.

Section 12.06. Actions to be Uniform; Regular Personnel Policies to be Followed.

Any discretionary actions to be taken under this Plan by the Administrative Committee or Investment Committee with respect to the classification of the Employees, contributions, or benefits shall be uniform in their nature and applicable to all Employees similarly situated. With respect to service with the Employer, leaves of absence and other similar matters, the Administrative Committee shall administer the Plan in accordance with the Employer's regular personnel policies at the time in effect.

Section 12.07. Fiduciaries.

Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan. The Company is the Named Fiduciary under the Plan. The Named Fiduciary and any fiduciary designated by the Named Fiduciary to whom such power is granted by the Named Fiduciary under the Plan, may employ one or more persons to render advice with regard to any responsibility such fiduciary has under the Plan.

Section 12.08. Plan Administrator.

The Company shall be the administrator of the Plan, as defined in Section 3(16)(A) of the Act, and shall be responsible for the preparation and filing of any required returns, reports, statements or other filings with appropriate governmental agencies. The Company or its authorized designee shall also be responsible for the preparation and delivery of information to persons entitled to such information under any applicable law.

Section 12.09. Notices and Elections (Administrative Committee).

A Member shall deliver to the Administrative Committee all directions, orders, designations, notices or other communications on appropriate forms to be furnished by the Administrative Committee. The Administrative Committee shall also receive notices or other communications directed to Members from the Trustee and transmit them to the Members. All elections which may be made by a Member under this Plan shall be made in a time, manner and form determined by the Administrative Committee unless a specific time, manner or form is set forth in the Plan.

Section 12.10. Misrepresentation of Age.

In making a determination or calculation based upon a Member's age, the Administrative Committee shall be entitled to rely upon any information furnished by the Member. If a Member misrepresents the Member's age, and the misrepresentation is relied upon by a Member Company, an affiliate thereof (including the Company) or the Administrative Committee, the Administrative Committee will adjust the Member's benefit to conform to the Member's actual age and offset future monthly payments to recoup any overpayments caused by the Member's misrepresentation.

Section 12.11. Decisions of Administrative Committee are Binding.

The decisions of the Administrative Committee with respect to any matter it is empowered to act on shall be made in the Administrative Committee's sole discretion and shall be final, conclusive and binding on all persons, based on the Plan documents. In carrying out its functions under the Plan, the Administrative Committee shall endeavor to act by general rules so as to administer the Plan in a uniform and nondiscriminatory manner as to all persons similarly situated.

Section 12.12. Spouse's Consent.

In addition to when such consent is expressly required by the terms of this Plan, the Administrative Committee may, in its sole discretion, also require the written consent of the Employee's Spouse to any other election or revocation of election made under this Plan before such election or revocation shall be effective.

Section 12.13. Accounts and Records.

The Administrative Committee and Investment Committee shall maintain such accounts and records regarding the fiscal and other transactions of the Plan and such other data as may be required to carry out its functions under the Plan and to comply with all applicable laws. The Administrative Committee shall report annually to the Board on the performance of its responsibilities and on the performance of any trustee or other persons to whom any of its powers and responsibilities may have been delegated and on the administrative operation of the Plan for the preceding year. The Investment Committee shall report annually to the Board on the performance of its responsibilities and on the performance of any trustee, investment manager, insurance carrier or persons to whom any of its powers and responsibilities may have been delegated and on the financial condition of the Plan for the preceding year.

Section 12.14. Forms.

To the extent that the form or method prescribed by the Administrative Committee to be used in the operation and administration of the Plan does not conflict with the terms and provisions of the Plan, such form shall be evidence of (a) the Administrative Committee's interpretation, construction and administration of this Plan and (b) decisions or rules made by the Administrative Committee pursuant to the authority granted to the Administrative Committee under the Plan.

Section 12.15. Liability and Indemnification.

The functions of the Trustees, Administrative Committee, the Investment Committee, the Board, and the Employer under the Plan are fiduciary in nature and each shall be carried out solely in the interest of the Members and other persons entitled to benefits under the Plan for the exclusive purpose of providing the benefits under the Plan (and for the defraying of reasonable expenses of administering the Plan). The Administrative Committee, the Investment Committee, the Board, and the Employer shall carry out their respective functions in accordance with the terms of the Plan with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. No member of the Administrative Committee or Investment Committee and no officer, director, or employee of the Employer shall be liable for any action or inaction with respect to his functions under the Plan unless such action or inaction is adjudicated to be a breach of the fiduciary standard of conduct set forth above.

The Company shall indemnify and hold harmless any person who, by virtue of membership on the Board, Administrative Committee, Investment Committee or any other committee or by virtue of such person's status as a director, officer or employee of the Employer, is deemed or held to be a fiduciary of the Plan within the meaning of the Act, to the extent not covered by the Company's insurance, against any and all claims, loss, damages, expenses, including legal fees and other expenses of litigation and liability arising from any action or failure to act, provided that such act or failure to act is not judicially determined to be due to the gross negligence or willful misconduct of such person, except that the Company may, in its sole discretion, elect not to enforce this provision in a case of gross negligence or willful misconduct. Further, no member of the Administrative Committee or Investment Committee shall be personally liable merely by virtue of any instrument executed by him or on his behalf as a member of the Administrative Committee or Investment Committee. The Company may secure and maintain in full force and effect such insurance as may be reasonably available on behalf of the persons described in this section, to cover liability or losses from which the Company is obligated to indemnify such persons. The amount and conditions of such insurance shall be determined by the Company in its sole discretion.

Section 12.16. Claim and Appeal Procedure.

(a) Initial Claim.

(1) Any claim by an Employee, Member or Beneficiary ("Claimant") with respect to eligibility, participation, contributions, benefits or other aspects of the operation of the Plan shall be made in writing to the Administrative Committee (or its designee) for such purpose. The Administrative Committee (or its designee) shall provide the Claimant with the necessary forms and make all determinations as to the right of any person to a disputed benefit. An authorized representative of a Claimant may act on behalf of the Claimant in pursuing a benefit claim or any subsequent appeal of an adverse benefit determination hereunder. If a Claimant is denied benefits under the Plan, the Administrative Committee (or its designee) shall notify the Claimant in writing of the denial of the claim within ninety (90) days (or within forty-five (45) days if the claim involves a determination of a claim for disability benefits) after the Administrative Committee receives the claim, provided that in the event of special circumstances such period may be extended.

(2) In the event of special circumstances, the maximum period in which a claim must be determined may be extended as follows:

(A) With respect to any claim, other than a claim that involves a determination of a claim for disability benefits, the ninety (90) day period may be extended for a period of up to ninety (90) days (for a total of one hundred eighty (180) days). If the initial ninety (90) day period is extended, the Administrative Committee or its designee shall notify the Claimant in writing within ninety (90) days of receipt of the claim. The written notice of extension shall indicate the special circumstances requiring the extension of time and provide the date by which the Administrative Committee expects to make a determination with

respect to the claim. If the extension is required due to the Claimant's failure to submit information necessary to decide the claim, the period for making the determination shall be tolled from the date on which the extension notice is sent to the Claimant until the earlier of (i) the date on which the Claimant responds to the Administrative Committee's request for information, or (ii) expiration of the forty-five (45) day period commencing on the date that the Claimant is notified that the requested additional information must be provided.

(B) With respect to a claim that involves a determination of a claim for disability benefits, the forty-five (45) day period may be extended as follows:

(I) Initially, the forty-five (45) day period may be extended for a period to up to an additional thirty (30) days (the "Initial Disability Extension Period"), provided that the Administrative Committee determines that such an extension is necessary due to matters beyond the control of the Plan and, within forty-five (45) days of receipt of the claim, the Administrative Committee or its designee notifies the Claimant in writing of such extension, the special circumstances requiring the extension of time, the date by which the Administrative Committee expects to make a determination with respect to the claim and such information as required under clause (III) below.

(II) Following the Initial Disability Extension Period the period for determining the Claimant's claim may be extended for a period of up to an additional thirty (30) days, provided that the Administrative Committee determines that such an extension is necessary due to matters beyond the control of the Plan and within the Initial Disability Extension Period, notifies the Claimant in writing of such additional extension, the special circumstances requiring the extension of time, the date by which the Administrative Committee expects to make a determination with respect to the claim and such information as required under clause (III) below.

(III) Any notice of extension pursuant to this Paragraph (B) shall specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and the Claimant shall be afforded forty-five (45) days within which to provide the specified information.

(IV) If an extension is required due to the Claimant's failure to submit information necessary to decide the claim, the period for making the determination shall be tolled from the date on which the extension notice is sent to the Claimant until the earlier of (i) the date on which the Claimant responds to the Administrative Committee's request for information, or (ii) expiration of the forty-five (45) day period

commencing on the date that the Claimant is notified that the requested additional information must be provided.

(3) Reserved.

(4) If a claim is wholly or partially denied, the notice to the Claimant shall set forth:

(A) The specific reason or reasons for the denial;

(B) Specific reference to pertinent Plan provisions upon which the denial is based;

(C) A description of any additional material information necessary for the Claimant to complete the claim request and an explanation of why such material or information is necessary;

(D) Appropriate information as to the steps to be taken and the applicable time limits if the Claimant wishes to submit the adverse determination for review; and

(E) A statement of the Claimant's right to bring a civil action under Section 502(a) of the Act following an adverse determination on review.

(5) In addition, in the case of a disability claim that is wholly or partially denied, the notice to the Claimant shall set forth:

(A) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to the Claimant upon request; and

(B) if the denial is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.

(b) Claim Denial Review.

(1) If a claim has been wholly or partially denied, the Claimant may submit the claim for review by the Administrative Committee. Any request for review of a claim must be made in writing to the Administrative Committee no later than sixty (60) days (or within one hundred and eighty (180) days if the claim involves a determination of a claim for disability benefits) after the Claimant receives notification of denial or, if no

notification was provided, the date the claim is deemed denied. The Claimant or his duly authorized representative may:

(A) Upon request and free of charge, be provided with reasonable access to, and copies of, relevant documents, records, and other information relevant to the Claimant's claim; and

(B) Submit written comments, documents, records, and other information relating to the claim. The review of the claim determination shall take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial claim determination.

(2) The decision of the Administrative Committee upon review shall be made within sixty (60) days (or within forty-five (45) days if the claim involves a determination of a claim for disability benefits) after receipt of the Claimant's request for review, unless special circumstances (including, without limitation, the need to hold a hearing) require an extension. In the event of special circumstances, the maximum period in which a claim must be determined may be extended as follows:

(A) With respect to any claim, other than a claim that involves a determination of a claim for disability benefits, the sixty (60) day period may be extended for a period of up to sixty (60) days.

(B) With respect to a claim that involves a determination of a claim for disability benefits, the forty-five (45) day period may be extended for a period of up to forty-five (45) days.

(3) If the sixty (60) day period (or forty-five (45) day period where the claim involves a determination of a claim for disability benefits) is extended, the Administrative Committee or its designee shall, within sixty (60) days (or within forty-five (45) days if the claim involves a determination of a claim for disability benefits) of receipt of the claim for review, notify the Claimant in writing. The written notice of extension shall indicate the special circumstances requiring the extension of time and provide the date by which the Administrative Committee expects to make a determination with respect to the claim upon review. If the extension is required due to the Claimant's failure to submit information necessary to decide the claim, the period for making the determination shall be tolled from the date on which the extension notice is sent to the Claimant until the earlier of (i) the date on which the Claimant responds to the Administrative Committee's request for information, or (ii) expiration of the forty-five (45) day period commencing on the date that the Claimant is notified that the requested additional information must be provided.

(4) The Administrative Committee, in its sole discretion, may hold a hearing regarding the claim and request that the Claimant attend. If a hearing is held, the Claimant shall be entitled to be represented by counsel.

(5) The Administrative Committee's decision upon review on the Claimant's claim shall be communicated to the Claimant in writing. If the claim upon review is denied, the notice to the Claimant shall set forth:

(A) The specific reason or reasons for the decision, with references to the specific Plan provisions on which the determination is based;

(B) A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim; and

(C) A statement of the Claimant's right to bring a civil action under Section 502(a) of the Act.

(D) In addition, in the case of a disability claim that is wholly or partially denied, the notice to the Claimant shall set forth:

(I) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other similar criterion will be provided free of charge to the Claimant upon request; and

(II) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.

(6) Any review of a claim involving a determination of a claim for disability benefits shall not afford deference to the initial adverse benefit determination and shall not be determined by any individual who made the initial adverse benefit determination or a subordinate of such individual. In deciding a review of any adverse benefit determination that is based in whole or in part on a medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, the Administrative Committee shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment.

(c) All interpretations, determinations and decisions of the Administrative Committee with respect to any claim, including without limitation the appeal of any claim, shall be made by the Administrative Committee, in its sole discretion, based on the Plan and comments,

documents, records, and other information presented to it, and shall be final, conclusive and binding.

(d) The claims procedures set forth in this section are intended to comply with United States Department of Labor Regulation § 2560.503-1 and should be construed in accordance with such regulation. In no event shall it be interpreted as expanding the rights of Claimants beyond what is required by United States Department of Labor Regulation § 2560.503-1.

(e) No legal or equitable action for benefits under the Plan, to enforce the Claimant's rights under the Plan, or to clarify the Claimant's right to future benefits under the Plan may be brought unless and until the Claimant has followed the claims and appeal procedures that are described in this Section 12.16 and the benefits requested by the Claimant have been denied in whole or in part, or there is any other adverse benefit determination.

In addition, no legal or equitable action for benefits under the Plan, to enforce the Claimant's rights under the Plan, to clarify the Claimant's rights to future benefits under the Plan, or against the Plan Administrator or any other Plan fiduciary may be brought more than one (1) year following the earlier of: (i) the date that such one-year limitations period would commence under applicable law, (ii) the date upon which the Claimant knew or should have known that the Claimant did not receive an amount due under the Plan, and (iii) the date on which the Claimant fully exhausted the Plan's administrative remedies. All lawsuits commenced after such period shall be deemed to have been waived by the Claimant and shall thereafter be wholly unenforceable. Nothing in this paragraph shall be construed to extend any otherwise applicable statute of limitations period set forth under ERISA or any under any other applicable law.

Section 12.17. Elections by Former Employees of Equitable Capital Management Corporation

Any designation or election by a Member or the beneficiary of a Member who had an account balance under the ECMC Plan on December 31, 1994, including, without limitation, a designation of one or more beneficiaries, investment elections or an election to receive a distribution that was in effect under the ECMC Plan as of that date for the corresponding purpose under this Plan shall continue to be effective under this Plan, as if made in respect of this Plan, until otherwise changed in accordance with the terms of this Plan or any rules or procedures established by the Administrative Committee.

Section 12.18. Overpayments

(a) Obligation to Pay Excess Amounts: By accepting benefits under the Plan, Members and Beneficiaries agree that in the event such individual receives any payment from the Plan in excess of the amount which such individual is entitled to receive under the Plan (including, without limitation, due to mistake of fact or law, reliance on false or fraudulent statements, information or proof submitted by a claimant, or continuation of payments after the death of a Member or a Beneficiary) ("Excess Payments"), a Member, or if applicable, Beneficiary, shall be obligated to repay such Excess Payments to the Plan upon receipt of a

written notice by the Administrative Committee (or any other designee duly authorized by the Administrative Committee) requesting such repayment.

(b) Recovery by Plan: The Administrative Committee shall have full authority, in its sole discretion, to recover the amount of any Excess Payments (plus interest, attorney's fees and costs) paid by the Plan to or on behalf of any Member or Beneficiary. Such authority shall include, but shall not be limited to, the right to:

(1) seek the Excess Payment in a lump sum from such individual;

(2) reduce future benefits payable to the individual who received the overpayment;

(3) reduce future benefits payable to a Beneficiary who is, or may become, entitled to receive payments under the Plan; and

(4) initiate legal action or take such other legal action as may be necessary or appropriate to recover any overpayment (plus interest, attorney's fees and costs).

ARTICLE XII

THE TRUST FUND

Section 13.01. The Trust Agreement.

The Company shall enter into a Trust Agreement for the establishment of the Trust with one or more individuals or with a bank or trust company organized and doing business under the laws of the United States or of any state and authorized under the laws of its jurisdiction of incorporation to exercise corporate trust powers. The Trust Agreement shall be deemed to form a part of the Plan, and all rights which may accrue to any Person under the Plan shall be subject to the terms of the Trust Agreement.

Section 13.02. Trustee's Power and Duties.

The Trustee shall manage and control the Trust Fund in accordance with the terms of the Trust Agreement.

Section 13.03. Use of Trust Fund.

The Trust Fund shall be used to provide the benefits and pay the expenses of this Plan and of the Trustee, and no part of the corpus or income shall be used for or diverted to purposes other than for the exclusive benefit of Members and their Beneficiaries under this Plan and the payment of expenses of the Plan and Trust. A transaction between the Plan and a common or collective trust fund or pooled investment fund maintained by a party in interest which is a bank or trust company supervised by a State or Federal agency, or a pooled investment fund of an insurance company qualified to do business in a State, and listed on Appendix B as amended from time to time shall be permitted in accordance with Section 408(b)(8) of the Act if the transaction is a sale or purchase of an interest in the fund, and the bank, trust company, or insurance company receives not more than reasonable compensation. All or any part of the assets of the Trust Fund may be invested in any group trust which then provides for the pooling of the assets of plans described in Code Section 401(a) and is exempt from tax under Code Section 501(a) in accordance with Revenue Ruling 81-100 and Revenue Ruling 2004-67, provided that the provisions of the document governing such group trust, as it may be amended from time to time, shall govern any investment therein and are hereby made a part of this Plan.

Section 13.04. Payment of Expenses.

All administrative and other expenses of the Plan and Trust shall be paid out of the Trust Fund unless paid by the Company. Taxes related to the unrelated business taxable income of the Trust that are paid out of the Trust Fund, shall be paid from and charged solely to the Account or Accounts involved, either on a specific or proportionate basis, as determined by the Administrative Committee. The Company may make advances or extend credit to the Plan for the purpose of paying Plan benefits or expenses to the extent permitted, and in accordance with, applicable law.

ARTICLE XIV

CERTAIN RIGHTS AND OBLIGATIONS OF THE COMPANY

Section 14.01. Disclaimer of Liability.

(a) Although it is the intention of the Company to continue this Plan and to make substantial and regular contributions each year, nothing contained in this Plan or the Trust Agreement shall be deemed to require the Company to make any contributions whatsoever under this Plan or to continue the Plan.

(b) Nothing in this Plan shall be construed as the assumption by the Company of the obligation for any payment of any benefits or claims hereunder, and Members and their Beneficiaries, and all persons claiming under or through them, shall have recourse only to the Trust Fund for payment of any benefit hereunder.

(c) The rights of the Members, their Beneficiaries and all other persons are hereby expressly limited to those stated in, and shall be construed only in accordance with, the Provisions of the Plan.

Section 14.02. Termination.

The Company reserves the right in its sole discretion to terminate this Plan at any time. A "termination" shall be deemed to take place if the Company terminates the Plan, partially terminates it (within the meaning of Code Section 411(d)(3)(A)) or completely discontinues contributions under this Plan. (For this purpose a suspension of contributions which is merely temporary shall not be deemed a complete discontinuance.) In the event of a termination, the Company may direct the Trustee to continue to maintain the Trust, and the assets thereof shall be applied at the continued direction of the Administrative Committee in accordance with this Plan. Upon termination of the Trust, distribution to each Member shall be made as soon as practicable thereafter in the manner described in Section 11.01. Until fully distributed, Members' accounts shall be revalued from time to time in accordance with Section 9.01. Upon termination or partial termination of the Plan, the rights of all affected Members to the amounts credited to their Accounts to the date of such termination shall become non forfeitable.

Section 14.03. Employer-Employee Relationship.

The adoption of this Plan shall in no way be construed as conferring any legal or other rights upon any Employee or any Person with respect to continuation of employment, nor shall it in any way interfere with the right of an Employer to discharge any Employee or otherwise act with respect to him. Any Employer may take any action (including discharge) with respect to any Employee or other Person without regard to the effect which such action might have upon his rights as a Member of this Plan.

Section 14.04. Merger, Etc.

(a) The merger or consolidation of an Employer with or into another company or the acquisition of its assets by any other Person shall not of itself cause the termination of this Plan or be deemed a termination of employment as to any Employee, nor shall anything in this Plan prevent the consolidation or merger of any Employer with or into any corporation or prevent the sale by any Employer of any of its assets. The merger of this Plan with another retirement plan shall not of itself cause the termination of this Plan.

(b) In the event of the dissolution, merger, consolidation or reorganization of the Company, provision may be made by which the Plan and Trust will be continued by the successor; and in such event such successor shall be substituted for the Company under the Plan. The substitution of the successor shall constitute an assumption of Plan liabilities by the successor, and the successor shall have all of the powers, duties and responsibilities of the Company under the Plan.

(c) In the event of any merger or consolidation of the Plan with, or transfer in whole or in part of the assets and liabilities of the Trust Fund to, another trust fund held under any other plan of deferred compensation maintained or to be established for the benefit of all or some of the Members of this Plan, the assets of the Trust Fund applicable to such members shall be transferred to such other trust fund only if:

(1) the values of the Accounts and the vested percentage of the Company Contributions Account of each Member, immediately after the merger, consolidation or transfer, shall be equal to or greater than such values and percentage immediately before the merger, consolidation or transfer;

(2) resolutions of the general partner referred to in Section 1.09 and of the governing body any new or successor employer of the affected Members shall authorize such transfer of assets; and, in the case of the new or successor employer of the affected Members, its resolutions shall include an assumption of liabilities with respect to such Members' inclusion in the new employer's plan; and

(3) such other plan and trust are qualified under Code Sections 401(a) and 501(a).

Section 14.05. Determination Final.

Any determinations made hereunder shall be made in a manner consistent with the Company's accounting practices and shall be final and conclusive for all purposes, notwithstanding any late adjustments in the tax returns of the Company.

ARTICLE XV

NON-ALIENATION OF BENEFITS

Section 15.01. Provisions with Respect to Assignment and Levy.

Except as may be required under the terms of a "qualified domestic relations order" as defined in Code Section 414(p), no benefit under this Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, garnishment, attachment, levy or charge and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber, garnish, attach, levy upon or charge the same shall be void; nor shall any benefit be in any manner liable for or subject to the debts or other liabilities of the Person entitled thereto.

Section 15.02. Alternate Application.

If any Member or Beneficiary under this Plan becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under this Plan, except as specifically provided herein, or if any benefit shall be garnished, attached or levied upon other than pursuant to a qualified domestic relations order as defined in Code Section 414(p), then such benefits shall, in the discretion of the Administrative Committee, cease, and the Administrative Committee may hold or apply the same or any part thereof to or for the benefit of such Member or Beneficiary, his spouse, children or other dependents or any of them in such manner and in such proportion as the Administrative Committee may deem proper.

Section 15.03. Exceptions.

Notwithstanding anything herein to the contrary, effective August 5, 1997, the provisions of this Article XV shall not apply to any offset of a Member's benefits provided under the Plan against an amount that the Member is ordered or required to pay to the Plan under any of the circumstances set forth in Code Section 401(a)(13)(C) and Sections 206(d)(4) and 206(d)(5) of the Act.

ARTICLE XVI

AMENDMENTS

Section 16.01. Company's Rights.

(a) The Company reserves the right, at any time and from time to time, by action of the Board, to modify or amend in whole or in part any or all of the provisions of this Plan; provided, however, that no such modification or amendment may (i) result in a retroactive reduction in the then value of any Member's Account or Loan Account; or (ii) except to the extent as may be provided in regulations promulgated by the Secretary of the Treasury, have the effect of eliminating an optional form of benefit. Notwithstanding anything in this Plan to the contrary, the Board, in its sole discretion, may make any modifications, amendments, additions or deletions in this Plan, as to benefits or otherwise and retroactively or prospectively and regardless of the effect on the rights of any particular Members, which it deems appropriate in order to bring this Plan into conformity with or to satisfy any conditions of the Act and in order to continue or maintain the qualification of the Plan and Trust under Code Section 401(a) and to have the Trust declared exempt and maintained exempt from taxation under Code Section 501(a).

(b) No amendment may change the vesting schedule under Section 10.04, either directly or indirectly, unless each Member having not less than three Years of Service is permitted to elect, within a reasonable period specified by the Administrative Committee after the adoption of such amendment, to have his or her vested percentage computed without regard to such amendment. The period during which the election may be made shall commence with the date the amendment is adopted and shall end as of the later of:

(i) sixty days after the amendment is adopted;

(ii) sixty days after the amendment becomes effective; or

(iii) sixty days after the Member is issued written notice by the Administrative Committee.

Section 16.02. Provision Against Diversion.

No part of the assets of the Trust Fund shall, by reason of any modification or amendment or otherwise, be used for, or diverted to, purposes other than for the exclusive benefit of Members or their Beneficiaries under this Plan and the payment of the administrative expenses of this Plan.

ARTICLE XVII

LIMITATIONS ON BENEFITS AND CONTRIBUTIONS

Section 17.01. The limitations of Code Section 415 applicable to "defined contribution plans" as defined in Code Section 414(i) are hereby incorporated by reference in this Plan; provided, however, that where the Code so provides, contribution limitations in effect under prior law shall be applicable to account balances accrued as of the last effective day of such prior law. Effective as of January 1, 2008, in no event shall annual additions, as defined under Code Section 415(c)(2), made to a Member's Account for a Limitation Year exceed the lesser of 100 percent (100%) of Compensation or $53,000 (in 2015) and as adjusted in later Plan Years for cost-of-living increases pursuant to Code Sections 415(c)(1), 415(d)(1), 415(d)(3) and 415(d)(4), and Treasury Regulation Section 1.415(c)-1.

Section 17.02.

(a) If, with respect to any Plan Year beginning on and after January 1, 1992 and prior to January 1, 2008, contributions to a Member's Account must be reduced to conform to the limitations on "annual additions" as defined in Code Section 415(c)(2), the reduction shall be achieved first by the distribution to the affected Member on a timely basis of Member Salary Deferrals made pursuant to Section 5.01, together with allocable earnings thereon, until the limitations are met or this category of contributions is exhausted, whichever first occurs. Concurrent with the return of such Member Salary Deferrals, Company Contributions made pursuant to Section 4.02 attributable to such returned Member Salary Deferrals shall be reduced. Finally, if necessary, Company Contributions for the Plan Year made pursuant to Section 4.01 shall be reduced.

(b) Effective as of January 1, 2008, notwithstanding anything herein to the contrary, in the event the annual additions, as defined under Code Section 415(c)(2), on behalf of a Member in any Plan Year exceed the limitations of Code Section 415, the Plan may only correct such excess in accordance with the Employee Plans Compliance Resolution System (EPCRS) as set forth in Revenue Procedure 2013-12 or any superseding guidance, including, but not limited to, the preamble of the final Section 415 regulations.

Section 17.03. In the case of a Member who is, or has ever been, a participant in one or more "defined benefit plans" as defined in Code Section 414(j), maintained by an Employer or any predecessor of the Employer, if Contributions or benefits need to be reduced due to the application of Code Section 415(e), then benefits under the defined benefit plans shall be reduced with respect to that Member before any contributions credited to the Member under this Plan, or any other defined contribution plan maintained by the Employer, shall be reduced. Notwithstanding the foregoing, the limitations of Code Section 415(e) shall cease to apply as of the first day of the first Plan Year beginning on or after January 1, 2000.

ARTICLE XVIII

TOP-HEAVY PLAN YEARS

Section 18.01. For purposes of this Article XVIII, the following definitions shall apply:

(a) "Determination Date" means, for any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan Year. For the first Plan Year of a plan, the last day of that year.

(b) "Employee" means any employee of an Employer and any beneficiary of such an employee.

(c) "Employer" means the Employer and any Affiliate.

(d) "Key Employee" means an Employee as defined in Section 416(i)(1) and the Regulations thereunder. For Plan Years beginning after December 31, 2001, "Key Employee" means any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the "Determination Date" was an officer of the Employer having annual compensation greater than $160,000 (as adjusted under Code Section 416(i)(1) for Plan Years beginning after December 31, 2002), a 5-percent owner of the Employer or a 1-percent owner of the Employer having annual compensation of more than $150,000. As used in this definition, "annual compensation" means compensation within the meaning of Code Section 415(c)(3). For Plan Years beginning before December 31, 2001, "Key Employee" means any Employee or former Employee (and the Beneficiaries of such Employee) who, at any time during the determination period, was an officer of the Employer if such individual's Top Heavy Compensation exceeds 50% of the dollar limitation under Code Section 415(b) (1) (A), an owner (or considered an owner under Code Section 318) of one of the ten largest interests in the Employer if such individual's Top Heavy Compensation exceeds 100% of such dollar limitation, a 5-percent owner of the Employer, or a 1 percent owner of the Employer who has annual Top Heavy Compensation of more than $150,000. The determination period is the Plan Year containing the Determination Date and the 4 preceding Plan Years.

(e) "Permissive Aggregation Group" means the Required Aggregation Group of plans plus any other plan or plans of the Employer which, when considered as a group with the Required Aggregation Group, would continue to satisfy the requirements of Code Sections 401(a)(4) and 410.

(f) "Required Aggregation Group" means (1) each qualified plan of the Employer in which at least one Key Employee participates; and (2) any other qualified plan of the Employer which enables a plan described in (1) to meet the requirements of Code Sections 401(a)(4) or 410.

(g) "Top Heavy Compensation" means the Employee's compensation as defined in Code Section 414(q)(7). Top-Heavy Compensation shall include Deemed 125 Compensation, as defined in Section 1.16 of the Plan.

(h) “Top Heavy Ratio” means:

(1) If, in addition to this Plan, the Employer maintains one or more other defined contribution plans (including any simplified employee pension plan) and the Employer has not maintained any defined benefit plan which, during the 1-year period ending on the Determination Date, has or has had accrued benefits, the top heavy ratio for this Plan alone or for the Required or Permissive Aggregation Group, as appropriate, is a fraction, the numerator of which is the sum of the account balances of all Key Employees as of the Determination Date (including any part of any account balance distributed in the 1-year period ending on the Determination Date), and the denominator of which is the sum of all account balances (including any part of any account balance distributed in the 1-year period ending on the Determination Date), both computed in accordance with Code Section 416 and the regulations thereunder. Both the numerator and denominator of the Top Heavy Ratio are adjusted to reflect any contribution not actually made as of the Determination Date, but which is required to be taken into account on that date under Code Section 416 and the regulations thereunder.

(2) If, in addition to this Plan, the Employer maintains one or more defined contribution plans (including any simplified employee pension plan), and the Employer maintains or has maintained one or more defined benefit plans which, during the 5-year period ending on the Determination Date, has or has had any accrued benefits, the Top Heavy Ratio for any Required or Permissive Aggregation Group, as appropriate, is a fraction, the numerator of which is the sum of account balances under the aggregated defined contribution plan or plans for all Key Employees, determined in accordance with (1) above, and the present value of accrued benefits under the aggregated defined benefit plan or plans for all Key Employees as of the Determination Date, and the denominator of which is the sum of the account balances under the aggregated defined contribution plan or plans for all participants, determined in accordance with (1) above, and the present value of accrued benefits under the defined benefit plan or plans for all participants as of the Determination Date, all determined in accordance with Code Section 416 and the regulations thereunder. The accrued benefits under a defined benefit plan in both the numerator and denominator of the Top Heavy Ratio are adjusted for any distribution of an accrued benefit made in the 1-year period ending on the Determination Date.

(3) For purposes of (1) and (2) above, the value of account balances and the present value of accrued benefits will be determined as of the most recent Valuation Date that falls within or ends with the 12-month period ending on the Determination Date, except as provided in Code Section 416 and the regulations thereunder for the first and the second plan years of a defined benefit plan. The account balances and accrued benefits of a participant (x) who is not a Key Employee but who was a Key Employee in a prior year; or (y) who has not received any Top Heavy Compensation from any Employer maintaining the Plan at any time during the 5-year period ending on the Determination Date, will be disregarded. Notwithstanding the above, for Plan Years beginning after December 31, 2001, the accrued benefits and accounts of any participant

who has not performed services for the Employer during the 1-year period ending on the Determination Date will be disregarded. The calculation of the Top-Heavy Ratio, and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Code Section 416 and the regulations thereunder. Deductible Employee contributions will not be taken into account for purposes of computing the Top Heavy Ratio. When aggregating plans the value of account balances and accrued benefits will be calculated with reference to the Determination Dates that fall within the same calendar year.

(4) For purposes of (1) and (2) above, in the case of a distribution from the Plan made for any reason other than Severance from Employment, death or disability, "5-year period" shall be substituted for "1-year period" wherever such term is found.

(i) "Valuation Date" means the last day of the Plan Year.

Top-Heavy Compensation shall include Deemed 125 Compensation, as defined in Section 1.16 of the Plan.

Section 18.02. If the Plan is or becomes top heavy in any Plan Year, the provisions of Section 18.04 will automatically supersede any conflicting provision of the Plan.

Section 18.03. The Plan shall be considered top heavy for any Plan Year if any of the following conditions exists:

(a) If the Top Heavy Ratio for this Plan exceeds 60 percent and this Plan is not part of any Required Aggregation Group or Permissive Aggregation Group of plans.

(b) If this Plan is part of a Required Aggregation Group of plans but not part of a Permissive Aggregation Group and the Top Heavy Ratio for the group of plans exceeds 60 percent.

(c) If this Plan is part of a Required Aggregation Group of plans and part of a Permissive Aggregation Group and the Top Heavy Ratio for the Permissive Aggregation Group exceeds 60 percent.

Section 18.04.

(a) Except as provided in Subsection (b), the amount of the Company contribution made on behalf of each Member who is not a Key Employee for any Plan Year for which the Plan is a Top Heavy Plan shall be at least equal to the lesser of:

(1) three percent (3%) of such Member's Top Heavy Compensation less any amount contributed on behalf of the Member under any other defined contribution plan maintained by an Employer or an Affiliate; or

(2) the percentage of Top Heavy Compensation represented by the Company Contributions and Member Salary Deferrals made on behalf of the Key Employee for

whom such percentage is the highest for such Plan Year, determined by dividing the sum of the Company Contribution and Member Salary Deferrals made on behalf of each such Key Employee by so much of his Top Heavy Compensation as does not exceed $200,000.

(3) Where the inclusion of this Plan in a Permissive Aggregation Group or Required Aggregation Group pursuant to Section 18.01(e) or 18.01(f) enables a defined benefit plan described in Section 18.01(f) to meet the requirements of Code Sections 401(a)(4) or Section 410, the minimum contribution required under this Section 18.04 shall be the amount specified in Section 18.04(a)(1).

ARTICLE XIX

MISCELLANEOUS

Section 19.01. Binding on Heirs, Etc.

This Plan shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the Members and their Beneficiaries and all successors to the Company by way of merger, consolidation, acquisition of assets or otherwise.

Section 19.02. Governing Law.

All questions pertaining to the validity, construction and administration of the Plan shall be determined in accordance with the laws of the State of New York (without reference to its Conflict of Laws provisions), except to the extent that such laws have been superseded by the Act, the Code, or other federal law, and subject to the applicable provisions of the laws of the United States of America.

Section 19.03. Separability.

If any provision of this Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of this Plan, and the Plan shall be construed and enforced as if such illegal and invalid provisions had never been inserted herein.

Section 19.04. Captions and Gender.

The captions herein are for convenience of reference only and are not to be construed as part of the Plan. As used herein, the masculine shall include the feminine and the neuter and vice versa, as the context requires.

Section 19.05. Merger of SCOPE.

Effective January 1, 2004, the SCB Savings or Cash Option Plan for Employees is merged into and with the Plan and the balances held in participants' accounts under SCOPE shall be transferred into the corresponding accounts under the Plan to be maintained on behalf of such Members. Unless otherwise provided herein, the benefits of each participant in the SCB Savings or Cash Option Plan for Employees who is not credited with an hour of service after December 31, 2003 shall be governed by the terms of such plan as of the date of the participant's termination of employment. Any election made under SCOPE by a participant shall be deemed to have been made under the Plan; provided that a salary deferral election made under SCOPE shall be applied under the Plan as if it were a salary deferral election made with respect to Compensation, as defined under 1.16 of the Plan, and shall be reduced, to the extent necessary to avoid exceeding the maximum limits on the amount that may be deferred pursuant to Section 5.01 by a Member.

APPENDIX A

REQUIRED DISTRIBUTION RULES

Section 1. General. Pursuant to Section 11.08 of the Plan, this Appendix A describes the required distribution rules for Members who have reached their Required Beginning Date, as those terms are defined in the Plan, as well as the incidental death benefit requirements. The terms of this Appendix A shall apply solely to the extent required under Code Section 401(a)(9) and shall be null and void to the extent that they are not required under Section 401(a)(9) of the Code. Any capitalized terms not otherwise defined in this Appendix A have the meaning given those terms in the Plan. Notwithstanding any other provision of the Plan, distributions must be made in compliance with Treasury Regulations under Code Section 401(a)(9).

Section 2. Required Distributions. As of any Member's Required Beginning Date, the Member must begin to receive distributions of his or her benefits under the Plan.

Section 3. Single-Sum Distribution. A Member may satisfy the requirements of this Appendix A by receiving a single lump-sum distribution on or before his or her Required Beginning Date.

Section 4. Time and Manner of Distribution.

4.1. Death of Member Before Distributions Begin. If the Member dies before distributions begin, the Member's entire interest must be distributed, or begin to be distributed no later than as follows:

(a) If the Member's surviving Spouse is the Member's sole designated beneficiary, then distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Member died, or by December 31 of the calendar year in which the Member would have attained age 70½, if later.

(b) If the Member's surviving Spouse is not the Member's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

(c) If there is no designated beneficiary as of September 30 of the year following the year of the Member's death, the Member's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(d) If the Member's surviving Spouse is the Member's sole designated beneficiary and the surviving Spouse dies after the Member but before distributions to the surviving Spouse begin, this Section 4.1, other than Section 4.1(a), will apply as if the surviving Spouse were the Member.

For purposes of this Section 4.1 and Section 6, unless Section 4.1(d) applies, distributions are considered to begin on the Member's Required Beginning Date. If Section 4.1(d) applies,

distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section 4.1(a).

4.2. Forms of Distribution. Unless the Member's interest is distributed in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions must be made no slower than required under Sections 5 and 6 of this Appendix A.

Section 5. Required Minimum Distributions During Member's Lifetime.

5.1. Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Member's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:

(a) the quotient obtained by dividing the Member's Account Balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Member's age as of the Member's birthday in the Distribution Calendar Year, or

(b) if the Member's sole designated beneficiary for the Distribution Calendar Year is the Member's Spouse, the quotient obtained by dividing the Member's Account Balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Member's and Spouse's attained ages as of the Member's and Spouse's birthdays in the Distribution Calendar Year.

5.2. Lifetime Required Minimum Distributions Continue Through Year of Member's Death. Required minimum distributions will be determined under this Section 5 beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Member's date of death.

Section 6. Required Minimum Distributions After Member's Death.

6.1. Death On or After Date Distributions Begin.

(a) Member Survived by Designated Beneficiary. If the Member dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Member's death is the quotient obtained by dividing the Member's Account Balance by the longer of the remaining Life Expectancy of the Member or the remaining Life Expectancy of the Member's designated beneficiary, determined as follows:

(1) The Member's remaining Life Expectancy is calculated using the age of the Member in the year of death, reduced by one for each subsequent year.

(2) If the Member's surviving Spouse is the Member's sole designated beneficiary, the remaining Life Expectancy of the surviving Spouse is calculated for each Distribution Calendar Year after the year of the Member's death using the surviving Spouse's age as of the Spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving

Spouse's death, the remaining Life Expectancy of the surviving Spouse is calculated using the age of the surviving Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.

(3) If the Member's surviving Spouse is not the Member's sole designated beneficiary, the designated beneficiary's remaining Life Expectancy is calculated using the age of the beneficiary in the year following the year of the Member's death, reduced by one for each subsequent year.

(b) No Designated Beneficiary. If the Member dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Member's death, the minimum a mount that will be distributed for each Distribution Calendar Year after the year of the Member's death is the quotient obtained by dividing the Member's Account Balance by the Member's remaining Life Expectancy calculated using the age of the Member in the year of death, reduced by one for each subsequent year.

6.2. Death Before Date Distributions Begin.

(a) Member Survived by Designated Beneficiary. If the Member dies before the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Member's death is the quotient obtained by dividing the Member's Account Balance by the remaining Life Expectancy of the Member's designated beneficiary, determined as provided in Section 6.1.

(b) No Designated Beneficiary. If the Member dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Member's death, distribution of the Member's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(c) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Member dies before the date distributions begin, the Member's surviving Spouse is the Member's sole designated beneficiary, and the surviving Spouse dies before distributions are required to begin to the surviving Spouse under Section 4.1(a), this Section 6.2 will apply as if the surviving Spouse were the Member.

6.3. Election to Apply 5-Year Rule to Distributions to Designated Beneficiaries. If the Member dies before distributions begin and there is a designated beneficiary, distribution to the designated beneficiary is not required to begin by the date specified in Section 4 of this Appendix, but the Member's entire interest will be distributed to the designated beneficiary by December 31 of the calendar year containing the fifth anniversary of the Member's death. If the Member's surviving Spouse is the Member's sole designated beneficiary and the surviving Spouse dies after the Member but before distributions to either the Member or the surviving Spouse begin, this election will apply as if the surviving Spouse were the Member.

Section 7. Definitions.

7.1. Designated Beneficiary. The individual who is designated as the beneficiary under Section 2.04 of the Plan and is the designated beneficiary under Section 401(a)(9) of the Internal Revenue Code and Section 1.401(a)(9) of the Treasury Regulations.

7.2. Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Member's Required Beginning Date. For distributions beginning after the Member's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under Section 4.1. The required minimum distribution for the Member's first Distribution Calendar Year will be made on or before the Member's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Member's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.

7.3. Life Expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.

7.4. Member's Account Balance. The account balance as of the last valuation date in the calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the Distribution Calendar Year if distributed or transferred in the valuation calendar year.

7.5. Required Beginning Date. The date specified in Section 1.40 of the Plan.

Section 8. Under regulations prescribed by the Secretary of the Treasury, any amount paid to a Member's child shall be treated as if it had been paid to such Member's surviving Spouse if such amount will become payable to such Spouse upon the child reaching maturity or such other designated event which may be permitted under such regulations.

Section 9. TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this Appendix A, other than the last sentence of Section 1 of this Appendix A, distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the plan that relate to Section 242(b)(2) of TEFRA.

Section 10. This Appendix is not intended to defer the timing of distribution beyond the date otherwise required under the Plan or to create any benefits (including but not limited to death benefits) or distribution forms that are not otherwise offered under the Plan.

APPENDIX B

COMMON OR COLLECTIVE TRUST FUNDS OR POOLED INVESTMENT FUNDS

Alliance International Growth Collective Trust
Alliance US Large Cap Growth Collective Trust
Alliance US Small & Mid Cap Growth Collective Trust
AllianceBernstein Balanced 50/50 Collective Trust
AllianceBernstein Global Core Equity Collective Trust
AllianceBernstein Global Fixed Income Collective Trust
AllianceBernstein US High Yield Collective Trust
AllianceBernstein US Inflation-Linked Securities Collective Trust
AllianceBernstein International Style Blend Collective Trust
AllianceBernstein US Short Duration Plus Collective Trust
AllianceBernstein US Style Blend Collective Trust
AllianceBernstein Volatility Management Collective Trust
AllianceBernstein Real Assets Strategy Collective Trust
AllianceBernstein Wealth Strategy: Appreciation
AllianceBernstein Wealth Strategy: Balanced
AllianceBernstein Wealth Strategy: Conservative
Bernstein Global Real Estate Securities Collective Trust
Bernstein International Value Collective Trust
Bernstein US Small & Mid Cap Value Collective Trust
Bernstein US Value Collective Trust

AMENDMENT AND RESTATEMENT

OF THE

RETIREMENT PLAN FOR EMPLOYEES

OF

ALLIANCEBERNSTEIN L.P.

(As of January, 1, 2015)

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AMENDED AND RESTATED
RETIREMENT PLAN FOR EMPLOYEES
OF ALLIANCEBERNSTEIN L.P.
(AS OF JANUARY 1, 2015)

WHEREAS, the Retirement Plan for Employees of AllianceBernstein L.P. (the "Plan") (formerly known as the Retirement Plan for Employees of Alliance Capital Management L.P.) was originally established effective as of January 1, 1980 by the predecessor of Alliance Capital Management L.P.; and

WHEREAS, the Plan was amended and restated from time to time to reflect changes in the predecessor's business, certain other changes and changes in applicable law; and

WHEREAS, the Plan was amended to comply with the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") and other applicable legislation, and the provisions reflecting EGTRRA are intended as good faith compliance with the requirements of EGTRRA and are to be construed in accordance with EGTRRA and guidance issued thereunder; and

WHEREAS, any Employee of the Company hired on or after October 2, 2000 is not eligible to participate in the Plan; and

WHEREAS, the Plan was amended and restated, effective as of January 1, 2006, to incorporate all Plan amendments adopted since the Plan was last amended and restated and certain additional design changes, changes required to comply with applicable law and to reflect the name change of Alliance Capital Management L.P. to AllianceBernstein L.P.; and

WHEREAS, with regard to all Employees, all benefit accruals under the Plan ceased as of December 31, 2008 (the Freeze Date, as defined below); and

WHEREAS, the Plan was amended, effective as of January 1, 2008, to reflect the foregoing freeze and to comply with the Pension Funding Equity Act of 2004, the Pension

Protection Act of 2006, other applicable legislation, and certain additional design changes; and

WHEREAS, the Plan was amended and restated, effective as of January 1, 2010, to incorporate prior amendments, to comply with the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008, and the Workers, Retiree, and Employer Recovery Act of 2008, to reflect other changes as necessary to comply with the 2009 Cumulative List, Notice 2009-98, 2009-52, I.R.B. 974, and to reflect certain additional design changes; and

WHEREAS, the Plan is hereby amended and restated, effective as of January 1, 2015, to reflect certain design changes and other necessary changes.

NOW, THEREFORE, the Plan is hereby amended and restated, as of January 1, 2015.

ARTICLE I

DEFINITIONS

The following words and phrases as used herein shall, when initially capitalized, have the following meanings unless a different meaning is required by the context:

1.01 "ACCRUED BENEFIT" as of any specified date, means the Retirement Pension, commencing on his Normal Retirement Date, earned by a Participant as of such date, which shall be equal to the Retirement Pension, computed in accordance with Section 3.02, to which he would have been entitled had he continued as an Employee until his Normal Retirement Date, had been credited with one (1) Year of Service in each year of employment during such period and had the same Average Final Compensation, Final Average Compensation and Past Final Average Compensation, as applicable, at his date of Retirement as that which he would have had if his Average Final Compensation, Final Average Compensation and Past Final Average Compensation, as applicable, had been computed as of the date of computation of his Accrued Benefit, such amounts to be multiplied by a fraction, the numerator of which is his number of years of Credited Service as of the specified date, and the denominator of which is the number of such years which he would have completed as of his Normal Retirement Date. A Participant's Accrued Benefit under the Plan shall be frozen as of the Freeze Date.

1.02 "ACTUARIAL EQUIVALENT" means, effective for distributions with Retirement Pension Starting Dates on or after January 1, 2016, except as specifically provided below, a benefit of equivalent value that is actuarially calculated based on an annual investment rate of 6% compounded annually and the Applicable Mortality Table. For distributions with Retirement Pension Starting Dates prior to January 1, 2016 (except as provided below), Actuarial Equivalent was determined based on an annual investment rate of 6% compounded annually and mortality determined in accordance with the UP 1984 mortality table with ages set back one year.

For distributions subject to the minimum present value requirements of IRC Section 417(e)(3) (which is intended to include the payment forms described in Option 4 and Option 5 of Section 6.01), a benefit of actuarial equivalent value is the greater of that determined using: (i) an annual investment rate of 6% compounded annually and mortality determined in accordance with the UP 1984 mortality table with ages set back one year; or (ii) the Applicable Interest Rate for August for the Plan Year immediately preceding the Plan Year with respect to which the benefit is being determined and the Applicable Mortality Table. Notwithstanding the above, in no event shall the single sum value of the Participant's benefit distributed during the 1996 calendar year be less than would result by applying the Applicable Interest Rate for January 1996 and the Applicable Mortality Table.

However, notwithstanding the foregoing, in no event shall the application, effective for distributions with Retirement Pension Starting Dates on or after January 1, 2016, of the updated Actuarial Equivalent assumptions described above (annual

investment rate of 6% and the Applicable Mortality Table) result in a lower Plan benefit than as determined under the pre-January 1, 2016 Actuarial Equivalent assumptions described in this Section 1.02 (annual investment rate of 6% and the UP 1984 mortality table). For example, by way of illustration and only to the extent consistent with this provision, the determination of an Actuarial Equivalent Retirement Pension for a Participant who commences payment after his Normal Retirement Date (in accordance with Article III) after January 1, 2016, shall continue to be based on the pre-January 1, 2016 Actuarial Equivalent assumptions (annual investment rate of 6% and the UP 1984 mortality table).

1.03 "ADMINISTRATIVE COMMITTEE" means the administrative committee appointed by the Board pursuant to Section 18.01.

1.04 "AFFILIATE" means any corporation or unincorporated business (i) controlled by, or under common control with, the Company within the meaning of Sections 414(b) and (c) of the Code, provided, however, that for all purposes of the Plan, "Affiliate" status shall be determined by application of Section 415(h) of the Code**,** or (ii) which is a member of an "affiliated service group", as defined in Section 414(m)(2) of the Code, of which the Company is a member.

1.05 "ANNUITY PURCHASE RATE" means, effective as of July 1, 1994, (a) the interest rate which would be used by the Pension Benefit Guaranty Corporation as of the first day of the Plan Year of the date of the distribution involved for the purpose of determining the present value of a single sum distribution in connection with the termination of the Plan if the present value of the applicable vested Accrued Benefit (using such rate) does not exceed $25,000, or (b) one hundred twenty percent (120%) of the rate used by the Pension Benefit Guaranty Corporation for that purpose if the present value of the vested Accrued Benefit, as determined in accordance with clause (a) exceeds $25,000, provided that in no event shall the present value of a Participant's vested Accrued Benefit determined by application of this clause (b) be less than $25,000; provided that the Annuity Purchase Rate with respect to the Accrued Benefit as of such first day of the Plan Year shall not be larger than the Annuity Purchase Rate which would have been computed under the definition of Annuity Purchase Rate in effect immediately prior to July 1, 1994.

1.06 "APPLICABLE INTEREST RATE" means an annual investment rate equal to the annual interest rate on 30-year Treasury securities as specified by the Commissioner of Internal Revenue. Notwithstanding the above, effective January 1, 2008, Applicable Interest Rate shall mean the interest rate specified in Section 417(e)(3)(C) of the Code as determined in accordance with published guidance from the Internal Revenue Service.

1.07 "APPLICABLE MORTALITY TABLE" means the mortality table based on the then prevailing standard table (described in Section 807(d)(5)(A) of the Code) used to determine reserves for group annuity contracts issued as of the date as of which

the value of the benefit involved is determined (without regard to any other subparagraph of Section 807(d)(5) of the Code) that is prescribed by the Commissioner of Internal Revenue for purposes of determining the value of benefits. Notwithstanding the foregoing, effective January 1, 2008, Applicable Mortality Table shall mean the table specified in Section 417(e)(3)(B) of the Code (as periodically updated) as provided in Revenue Ruling 2007-67 and any other applicable guidance from the Internal Revenue Service.

1.08 (a) "AVERAGE FINAL COMPENSATION" means an amount obtained by totaling the Compensation of a Participant for the five (5) consecutive full calendar years preceding the earlier of (1) the date of his Retirement or other Termination of Employment, whichever is applicable, or (2) January 1, 2009, in which he received his highest aggregate Compensation (or his Compensation for his consecutive full calendar Years of Service prior to January 1, 2009, if less than five (5)), and dividing the sum thus obtained by five (5) (or the number of his full calendar Years of Service prior to January 1, 2009, if less than five (5)). Notwithstanding the foregoing, partial calendar Years of Service prior to January 1, 2009, other than the year of termination of employment, shall be taken into account in determining Average Final Compensation, if the Participant completed at least 750 Hours of Service in each of such partial years. If any partial Year of Service is to be taken into account under the preceding sentence, the Compensation for such year shall be included in the calculation of Average Final Compensation as follows: The Compensation for any such partial Year of Service shall be added to the Compensation for the full calendar years included in calculating Average Final Compensation, and the total of such Compensation shall be divided by the sum of (i) the number of full calendar years included in calculating Average Final Compensation and (ii) the fraction whose numerator is the number of days worked during the partial Year of Service (including any weekends, holiday or vacation that occur during a continuous period of employment) and whose denominator is 365.

(b) If, during any of the calendar years taken into account in determining a Participant's Average Final Compensation, there was a period during which such Participant was an Inactive Participant, or was on unpaid Leave of Absence, or was compensated for fewer hours than are customary for his job category by reason of disability, the Compensation paid in such period shall be included in his Compensation for such calendar year (solely for the purpose of determining Average Final Compensation) at the rate of Compensation he was receiving immediately preceding such period.

1.09 "BENEFICIARY" means such person or persons as may be designated by a Participant or Retired Participant or as may otherwise be entitled, upon his death, to receive any benefits or payments under the terms of this Plan.

1.10 "BOARD OF DIRECTORS" or "BOARD" means the Board of Directors of the general partner of the Company responsible for the management of the Company's business or a committee thereof designated by such Board.

1.11 “BREAK IN SERVICE” with respect to any Employee, means any calendar year in which he completes fewer than five hundred and one (501) Hours of Service with Employers or Affiliates.

1.12 “CODE” means the Internal Revenue Code of 1986, as amended from time to time.

1.13 “COMPANY” means AllianceBernstein L.P. and any successor thereto; prior to February 24, 2006, known as Alliance Capital Management L.P.; and prior to April 21, 1988, known as Alliance Capital Management Corporation.

1.14 (a) “COMPENSATION” means, for any calendar year, an amount equal to a Participant’s base salary; provided that in the case of a Participant whose Compensation from an Employer includes commissions, commissions shall be included only up to the annual amount of the Participant’s draw against actual commissions in effect at the beginning of the Plan Year involved.

(b) There shall be excluded from Compensation overtime pay, bonuses, severance pay, distributions on Units representing assignments of beneficial ownership of limited partnership interests in the Company, and any amounts paid or payable to or for a Participant or Retired Participant pursuant to any welfare plan or any pension plan, profit sharing plan or any other plan of deferred compensation, or any other extraordinary item of compensation or income.

(c) Compensation of a Member in excess of $245,000, or such other amount prescribed under Section 401(a)(17) of the Code (as adjusted each year with cost of living adjustments in the manner set forth in Section 415(d) of the Code), shall not be taken into account under the Plan for the purpose of determining benefits. The increase in the limit provided under Section 401(a)(17) of the Code under EGTRRA shall only be applied with respect to Participants who accrue a benefit under the Plan on or after January 1, 2002.

(d) For any year for which Compensation is relevant under the Plan, in connection with any Employee who is paid based on an annual rate of salary that applies for only a portion of the year, the Compensation attributable to that portion of the year for such Employee shall be equal to the product of (i) such annual rate of salary, multiplied by (ii) a fraction, the numerator of which is the number of pay periods during such year during which such Employee was paid at that annual rate of salary, and the denominator of which is the total number of pay periods during such year.

(e) Effective as of January 1, 2009, Compensation shall include differential wage payments as defined in Code Section 3401(h)(2) paid to employees while performing qualified military service.

The determination of eligible Compensation shall be in accordance with records maintained by the Employer and shall be conclusive.

Compensation shall include Deemed 125 Compensation. “Deemed 125 Compensation” shall mean, in accordance with Internal Revenue Service Revenue Ruling 2002-27, 2002-20 I.R.B. 925, any amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he or she has other health coverage. An amount shall be treated as Deemed 125 Compensation only if the Employer does not request or collect information regarding the Participant’s other health coverage as part of the enrollment process for the health plan.

Notwithstanding anything herein to the contrary, Compensation earned after the Freeze Date shall not be taken into account under the Plan for any purpose.

1.15 (a) “CREDITED SERVICE” means, unless excluded by Subsection (b), an Employee’s Years of Service;

(b) Credited Service shall not include:

(1) With respect to all Employees, Years of Service ending on or before December 31, 1969; or

(2) Any Year of Service during any part of which an Employee is an Excluded Employee; provided that if the Employee is employed by an Employer after employment with an Affiliate who during a period of employment with the Affiliate maintained a “defined benefit plan” within the meaning of Section 414(j) of the Code, the service with the Affiliate while an Affiliate upon which the Employees accrued benefits under the Affiliate’s plan is based shall be considered Credited Service hereunder, but in no event shall any period be counted more than once in computing a Participant’s Credited Service and any retirement pension related to such service shall be taken into account as set forth in Section 3.02(b) of the Plan.

Notwithstanding anything herein to the contrary, Credited Service shall not include any service for the Employer after the Freeze Date.

1.16 “DEFERRED RETIREMENT” means an Employee’s continued employment after his sixty-fifth (65th) birthday.

1.17 “DEFERRED RETIREMENT DATE” means the first day of the calendar month coincident with or next following the date of an Employee’s Retirement provided such Retirement occurs after his Normal Retirement Date.

1.18 “DISABILITY” means the mental or physical incapacity of an Employee which, in the opinion of a physician approved by the Administrative Committee, renders

him totally and permanently incapable of performing his assigned duties with an Employer or an Affiliate.

1.19 "DOMESTIC PARTNER" means, in the case of a Participant who dies before his Retirement Pension Starting Date, his Domestic Partner (as defined below) on the date of his death if such Domestic Partner satisfied the requirements for being a Domestic Partner as set forth below. "Domestic Partner" is an individual who, together with the Participant, satisfies the following requirements: (i) both the Participant and the domestic partner are at least 18 years of age; (ii) both the Participant and the domestic partner are mentally competent to enter into a contract according to the laws of the state in which they reside; (iii) each of the Participant and the domestic partner is the sole domestic partner of the other; (iv) neither of the Participant nor the domestic partner is legally married to any other individual, and, if previously married, a legal divorce or annulment has been obtained or the former spouse is deceased; (v) the Participant and the domestic partner are not related to each other by blood to a degree of closeness that would prohibit legal marriage in the jurisdiction in which they legally reside, irrespective of the law in such jurisdiction regarding same sex marriage; (vi) the Participant and the domestic partner reside together in the same residence, have done so for a period of no less than the most recent six-month period, intend to do so indefinitely and share the common necessities of life; (vii) the Participant and domestic partner have mutually agreed to be responsible for each other's common welfare; (viii) if the Participant previously filed an 'Affidavit of Domestic Partnership' or an 'Affidavit of Same Sex Domestic Partnership' with the Company, at least six months have passed since the filing of an 'Affidavit of Termination of Domestic Partnership' with respect to the previous domestic partner; and (ix) the Participant has designated the domestic partner as his or her domestic partner by completing and returning an 'Affidavit of Domestic Partnership' or 'Affidavit of Same-Sex Domestic Partnership' to the Company's Human Capital Department.

1.20 "EARLY RETIREMENT" means Retirement on or after a Participant's Early Retirement Date and prior to his Normal Retirement Date.

1.21 "EARLY RETIREMENT DATE" means the first day of the month coincident with or next following the date upon which the Participant shall have attained the age of fifty-five (55) and the sum of the Participant's age and Years of Service equals eighty (80).

1.22 "ELIGIBLE EMPLOYEE" means any Employee of an Employer other than:

(a) any Employee included in a unit of Employees covered by a collective bargaining agreement between an Employer and Employee representatives in the negotiation of which retirement benefits were the subject of good faith bargaining, unless: (i) such bargaining agreement provides for participation in the Plan, (ii) the Employee representatives represented an organization more than half of whose members are owners, officers or executives

of such Employer, or (iii) 2% or more of the Employees who are covered pursuant to that agreement are professionals as defined in Treasury Regulation Section 1.410(b) - 6(d);

(b) Employees whose principal place of Employment is outside the United States, U.S. Virgin Islands, Guam and Puerto Rico;

(c) an individual classified by the Employer at the time services are provided as either an independent contractor, or an individual who is not classified as an Employee due to an Employer's treatment of any services provided by him as being provided by another entity which is providing such individual's services to the Employer, even if such individual is later retroactively reclassified as an Employee during all or part of such period during which services were provided pursuant to applicable law or otherwise;

(d) any individual listed in Section 2.09 of this Plan.

1.23 "EFFECTIVE DATE" means January 1, 1980.

1.24 "EMPLOYEE" means an individual described in Sections 3121(d)(1) or (2) of the Code who is employed by an Employer or an Affiliate, except that a person receiving differential wage payments as defined in Code Section 3401(h)(2) from the Employer will be treated as an Employee.

1.25 "EMPLOYER" means the Company and any Affiliate which, with the consent of the Board of Directors, has adopted the Plan as a participant herein and any successor to any such Employer.

1.26 "EMPLOYMENT COMMENCEMENT DATE" means:

(a) the first day in respect of which an Employee receives Compensation from an Employer or an Affiliate for the performance of services; or

(b) in the case of a former Employee who returns to the employ of an Employer or Affiliate after a Break in Service, the first day in respect of which, after such Break in Service, he receives Compensation from an Employer or Affiliate for the performance of services.

1.27 "ENTRY DATE" means the first day of each Plan Year.

1.28 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.29 (a) "EXCLUDED EMPLOYEE" means an individual in the employ of an Employer or an Affiliate who:

(1) is employed by an Affiliate that is not an Employer; or

(2) is included in a unit of employees covered by a collective bargaining agreement between employee representatives and one or more Employers or Affiliates, if retirement benefits were the subject of good faith bargaining between such employee representatives and such Employer; or

(3) is not an Excluded Employee under Paragraph (4) of this subsection (a) and is neither a resident nor a citizen of the United States of America, nor receives "earned income", within the meaning of Section 911(b) of the Code, from an Employer or Affiliate that constitutes income from sources within the United States, within the meaning of Section 861(a)(3) of the Code, unless the individual became a Participant prior to becoming a non-resident alien and the Company stipulates that he shall not be an Excluded Employee; or

(4) is not a citizen of the United States, unless the individual (A) was initially engaged as an Employee by an Employer or an Affiliate to render services entirely or primarily in the United States or (B) is an Employee of an Employer which is a United States entity, and unless, in the case of an individual referred to in either Subparagraph (A) or (B) of this Paragraph 4, the Company stipulates that he shall not be an Excluded Employee; or

(5) is accruing benefits and/or receiving contributions under a retirement plan of an Affiliate which operates entirely or primarily outside the United States other than this Plan or the Profit Sharing Plan for Employees of AllianceBernstein L.P. unless, in either case, the Company stipulates that he shall not be an Excluded Employee; or

(6) is compensated on a commission arrangement which does not provide for payment of periodic draws against actual commissions earned; or

(7) is a "leased employee." For purposes of this Plan, a "leased employee" means any person (other than an Employee of the recipient) who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with Section 414(n)(6) of the Code on a substantially full time basis for a period of at least one year), and such services are performed under primary direction or control by the recipient employer.

(b) An Excluded Employee shall be deemed an Employee for all purposes under this Plan except that:

(1) an Excluded Employee may not become a Participant while he remains an Excluded Employee; and

(2) a Participant shall not receive any Credited Service for any Year of Service during any part of which he remains an Excluded Employee unless the Company specifies otherwise.

1.30 "FINAL AVERAGE COMPENSATION" means an amount obtained by totaling the Compensation of a Participant for the three (3) consecutive full calendar Years of Service (which for any such year cannot exceed the taxable wage base in effect for that year) ending on the last day of the calendar year coinciding with or immediately preceding the earlier of (i) the date of his Retirement or other Termination of Employment, whichever is applicable or (ii) the Freeze Date, (or his Compensation for the number of his full calendar years and fractions thereof then ending if less than three (3)), and dividing the sum thus obtained by three (3) (or such number of full calendar years and fractions thereof if less than three (3)), but limited to Covered Compensation. Notwithstanding the foregoing, partial calendar Years of Service, other than the year of termination of employment, shall be taken into account in determining Final Average Compensation, if the Participant completed at least 750 Hours of Service in each of such partial years. If any partial Year of Service is to be taken into account under the preceding sentence, the Compensation for such year shall be included in the calculation of Final Average Compensation as follows: The Compensation for any such partial Year of Service shall be added to the Compensation for the full calendar years included in calculating Final Average Compensation, and the total of such Compensation shall be divided by the sum of (i) the number of full calendar years included in calculating Final Average Compensation and (ii) the fraction whose numerator is the number of days worked during the partial Year of Service (including any weekends, holiday or vacation that occur during a continuous period of employment) and whose denominator is 365. "Covered Compensation" for this Section 1.30 means the average of the taxable wage bases for the thirty-five (35) calendar years ending with the year an individual attains social security retirement age.

If Termination of Employment or Retirement occurs before a Participant reaches that age, the taxable wage base in effect for the year in which such Participant leaves is used for subsequent years. Notwithstanding anything contained herein to the contrary, for purposes of calculating Covered Compensation, if a Participant terminates or retires after December 31, 2008 and before reaching their social security retirement age, the taxable wage base in effect for calendar year 2008 shall be used for subsequent years.

1.31 "FREEZE DATE" means December 31, 2008.

1.32 "HIGHLY COMPENSATED EMPLOYEE" means an Employee who, with respect to the "determination year":

(a) owned (or is considered as owning within the meaning of Section 318 of the Code) at any time during the "determination year" or "look back year" more than five percent (5%) of the outstanding stock of the Employer or stock possessing more than five percent (5%) of the total combined voting

power of all stock of the Employer (the attribution of ownership interest to Family Members shall be used pursuant to Section 318 of the Code); or

(b) who received "415 Compensation" during the "look-back year" from the Employer in excess of the $120,000 limit under Section 414(q) of the Code (with cost of living adjustments in the manner set forth under Section 415(d) of the Code) and was in the Top Paid Group of Employees for the "look back year."

The "determination year" shall be the Plan Year for which testing is being performed. The "look-back year" shall be the Plan Year immediately preceding the "determination year."

The term "415 Compensation" shall mean compensation reported as wages, tips and other compensation on Form W-2 and shall include: (i) any elective deferral (as defined in Section 402(g)(3) of the Code) and (ii) any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Sections 125, 132(f)(4), 401(k) or 457 of the Code. 415 Compensation shall include Deemed 125 Compensation, as defined in Section 1.14 of the Plan.

The $120,000 dollar threshold amount specified in (b) above shall be adjusted, in the manner set forth in Section 415(d) of the Code, at such time and in such manner as is provided in Regulations. In the case of such an adjustment, the dollar limits which shall be applied are those for the calendar year in which the "determination year" or "look back year" begins.

In determining who is a Highly Compensated Employee, Employees who are nonresident aliens and who received no earned income (within the meaning of Section 911(d)(2) of the Code) from the Employer constituting United States source income within the meaning of Section 861(a)(3) of the Code shall not be treated as Employees.

Additionally, all Affiliated Employers shall be taken into account as a single employer and Leased Employees within the meaning of Sections 414(n)(2) and 414(o)(2) of the Code shall be considered Employees unless such Leased Employees are covered by a plan described in Section 414(n)(5) of the Code and are not covered in any qualified plan maintained by the Employer. The exclusion of Leased Employees for this purpose shall be applied on a uniform and consistent basis for all of the Employer's retirement plans. Highly Compensated Former Employees shall be treated as Highly Compensated Employees without regard to whether they performed services during the "determination year".

1.33 "HIGHLY COMPENSATED FORMER EMPLOYEE" means a former Employee who had a separation year prior to the "determination year" and was a Highly Compensated Employee in the year of severance from employment or in any "determination year" after attaining age 55. Highly Compensated Former Employees

shall be treated as Highly Compensated Employees. The method set forth in this Section 1.33 for determining who is a "Highly Compensated Former Employee" shall be applied on a uniform and consistent basis for all purposes for which the Section 414(q) of the Code definition is applicable.

1.34 (a) "HOUR OF SERVICE" means each hour:

(1) for which an Employee is paid, or entitled to payment, by an Employer or Affiliate for the performance of duties for an Employer or Affiliate, credited for the Plan Year in which such duties were performed; or

(2) for which an Employee is directly or indirectly paid, or entitled to payment, by an Employer or Affiliate on account of a period of Leave of Absence, credited for the Plan Year in which such Leave of Absence occurs; or

(3) for which an Employee has been awarded, or is otherwise entitled to, back pay from an Employer or Affiliate, irrespective of mitigation of damages, if he is not entitled to credit for such hour under any other Paragraph of this Subsection (a); or

(4) during which an Employee is on an unpaid Leave of Absence described in Section 1.37(a), credited at the rate of which he would have accrued Hours of Service if he had performed his normal duties during such Leave of Absence.

(5) (A) solely for purposes of Section 1.11, each hour of an Employee's absence which commences on or after January, 1985 by reason of a leave pursuant to the FMLA, the pregnancy of such Employee, the birth of a child of such Employee, the placement of a child in connection with the adoption of such child by the Employee or the caring for such child for a period beginning immediately following such birth or placement.

(B) under this Paragraph (5) an Employee shall be credited with the number of hours which would normally have been credited to him but for such absence, or in any case in which such number cannot be determined, a total of eight (8) Hours of Service for each day of such absence, except that no more than 501 Hours of Service shall be credited to an Employee for any such period of absence and such Hours of Service shall be credited to an Employee only in the Plan Year in which such period of absence began if such Employee would be prevented from incurring a Break in Service in such Plan Year solely because of the crediting of such Hours of Service, or in any other case, in the next succeeding Plan Year.

(C) Notwithstanding the foregoing, an Employee shall not be credited with Hours of Service pursuant to this Paragraph (5) unless such

Employee shall furnish to the Administrative Committee on a timely basis such information as the Administrative Committee shall reasonably require to establish that the absence from work is for reasons described in Subparagraph (A) hereof; and the number of days which such absence continued.

(b) Except as provided in Paragraph (a) (5), the number of a Participant's Hours of Service and the Plan Year or other compensation period to which they are to be credited shall be determined in accordance with Department of Labor Reg. § 2530.200b-2, which section is hereby incorporated by reference into this Plan.

(c) If the Participant's compensation while an Employee was not determined on the basis of certain amounts for each hour worked, his Hours of Service need not be determined from employment records, and he may, in accordance with uniform and nondiscriminatory rules adopted by the Administrative Committee, be credited with forty-five (45) Hours of Service for each week in which he would be credited with any Hours of Service under the provisions of Subsection (a) or (b).

(d) Notwithstanding anything herein to the contrary, Hours of Service shall not include any service for the Employer after the Freeze Date, except with respect to vesting and eligibility for early retirement benefits.

1.35 "INACTIVE PARTICIPANT" means:

(a) an Employee who was a Participant during the preceding Plan Year but who, during the current Plan Year, neither completed a Year of Service nor incurred a Break in Service; and

(b) an Excluded Employee who was a Participant or an Inactive Participant during the preceding Plan Year but who, during the current Plan Year, did not incur a Break in Service.

An Inactive Participant shall be deemed a Participant for all purposes under this Plan, except that he shall not accrue any benefit hereunder for any Plan Year during which he is an Inactive Participant.

1.36 "INVESTMENT COMMITTEE" shall mean the investment committee appointed by the Board pursuant to Section 18.02.

1.37 "LEAVE OF ABSENCE" means:

(a) absence on leave approved by an Employee's Employer, if the period of such leave does not exceed two (2) years and the Employee returns to the employ of an Employer or an Affiliate upon its termination; or

(b) absence due to service in the Armed Forces of the United States, if such absence is caused by war or other national emergency or an Employee is required to serve under the laws of conscription in time of peace, and if the Employee returns to the employ of an Employer or an Affiliate within the period provided by law; or

(c) absence for a period not in excess of thirteen (13) consecutive weeks due to leave granted by an Employer, military service, vacation, holiday, illness, incapacity, layoff, or jury duty, if the Employee does not return to the employ of an Employee or Affiliate at the end of such period.

In granting or withholding Leaves of Absence, each Employer or Affiliate shall apply uniform and non-discriminatory rules to all Employees in similar circumstances.

1.38 "NORMAL RETIREMENT DATE" means the first day of the month coincident with or next following the sixty fifth (65th) birthday of the Participant or Retired Participant.

1.39 "OPTION" means any of the optional methods of payment of a Retirement Pension which a Participant or Retired Participant may elect in accordance with Article VI.

1.40 "PARTICIPANT" or "MEMBER" means any individual who has become a Participant in the Plan in accordance with Sections 2.01, 2.02 or 2.06 and whose participation has not terminated pursuant to Section 2.05.

1.41 "PAST FINAL AVERAGE COMPENSATION" means the amount which would have been obtained by totaling the Compensation of a Participant for the five (5) consecutive full calendar Years of Service during the last ten (10) calendar year period ending on December 31, 1988 for which the Participant received his highest aggregate Compensation (or his Compensation for the number of his consecutive full calendar Years of Service ending December 31, 1988 if less than five (5)), except that for purposes of Section 3.02 (a)(3), the calculation period shall end on December 31, 1989 rather than December 31, 1988; and dividing said aggregate Compensation by five (5) (or such number of consecutive full calendar Years of Service if less than five (5)).

1.42 "PLAN YEAR" means the twelve (12) consecutive month period beginning on January 1 and ending on December 31 in any year commencing on or after January 1, 1980.

1.43 "PRIMARY SOCIAL SECURITY BENEFIT"

(a) means the estimated old age retirement benefit payable to a Participant under the Federal Old-Age and Survivors Insurance System upon his Retirement on his Normal Retirement Date or Deferred Retirement Date whichever is applicable; provided, however, that (i) in the event that either his

Termination of Employment or December 31, 1989 occurs before his Normal Retirement Date, his Primary Social Security Benefit shall be estimated by computing such benefit, determined without regard to any Social Security benefit increases that become effective after his Termination of Employment or December 31, 1988, whichever is later, as if in each calendar year beginning in the calendar year in which occurred the earlier of his Termination of Employment or 1989, he continued to receive the same Compensation (defined as, Compensation in the calendar year preceding the earlier of his Termination of Employment or 1989, but including overtime, bonuses and commissions otherwise excluded under Section 1.14(b), as he received in the Plan Year last preceding the earlier of his Termination of Employment or 1989; and (ii) the Participant's calendar year earnings in the year of his Employment Commencement Date and for the prior calendar years shall be estimated by applying a salary scale, projected backwards, to the Participant's Compensation for the calendar year immediately following the calendar year of the Participant's Employment Commencement Date, such salary scale being the actual change in the average wages from year to year as determined by the Social Security Administration.

(b) (1) Notwithstanding the provisions of Subsection (a), each Participant may have his Primary Social Security Benefit determined on the basis on his actual salary history for the period ending on the earlier of the Freeze Date, his Termination of Employment, or the December 31 applicable to the Participant for purposes of Subsection (a) within ninety (90) days after the later of (A) his Termination of Employment or (B) the date on which he is notified of the benefit to which he is entitled.

(2) As soon as practicable after a Participant's Termination of employment, the Administrative Committee shall mail or personally deliver to the Participant a notice informing him (A) of his right to supply the actual salary history described in Paragraph (b) (1), (B) of the financial consequences of failing to supply such history and (C) that he can obtain such actual salary history from the Social Security Administration.

Notwithstanding anything contained herein to the contrary, under no circumstances shall the Primary Social Security Benefit reflect compensation increases or Social Security law changes after the Freeze Date.

1.44 "QUALIFIED JOINT AND SURVIVOR ANNUITY" means an annuity for the life of a Participant, with, if the Participant is married to a Spouse on his Retirement Pension Starting Date, a survivor annuity for the life of such Spouse which is: (a) one-half (½) of the amount of the annuity payable during the joint lives of the Participant and such Spouse (a "50% Qualified Joint and Survivor Annuity"); (b) the full amount of the annuity payable during the joint lives of the Participant and such Spouse;

or (c) a QOSA. Any benefit payable in the form of a Qualified Joint and Survivor Annuity shall be the Actuarial Equivalent of the Participant's Retirement Pension.

1.45 "QUALIFIED OPTIONAL SURVIVOR ANNUITY" or "QOSA" means an annuity for the life of a Participant, with, if the Participant is married to a Spouse on his Retirement Pension Starting Date, a survivor annuity for the life of such Spouse which is three-quarters (3/4) of the amount of the annuity payable during the joint lives of the Participant and such Spouse. Any benefit payable in the form of a Qualified Optional Survivor Annuity shall be the Actuarial Equivalent of the Participant's Retirement Pension.

1.46 "QUALIFIED PRERETIREMENT SURVIVOR ANNUITY" means:

(a) in the case of a Participant who dies after his Early Retirement Date, a monthly life annuity for a Participant's Spouse or Domestic Partner equal to fifty percent (50%) of the benefit such Participant would have received had he retired on the day before his death and commenced receiving his Retirement Pension on such date, reduced in accordance with Section 5.01, except that no reduction shall be made for the joint and survivor factor; and

(b) in the case of a Participant who dies on or prior to his Early Retirement Date, a monthly life annuity for a Participant's Spouse or Domestic Partner equal to fifty percent (50%) of the benefit such Participant would have received if the Participant's Termination of Employment had occurred on the date of his death, and such Participant had survived to his Early Retirement Date, had retired immediately upon attainment of his Early Retirement Date and immediately commenced receiving his Retirement Pension, reduced as provided in Section 5.01, except that a reduction shall be made for the joint and survivor factor. The annuity described in this Subsection (b) shall commence to be payable, at the election of such Spouse or Domestic Partner , as of the first day of any month coincident with or next following the date on which the Participant would have attained his Early Retirement Date.

(c) in the case of any vested Participant referred to in Section 4.04 of this Plan (a "Vested Terminated Participant") who dies on or prior to his Early Retirement or Normal Retirement, a monthly life annuity for the Vested Terminated Participant's Spouse or Domestic Partner equal to fifty percent (50%) of the benefit such Vested Terminated Participant would have received if the Vested Terminated Participant's Termination of Employment had occurred on the date of his death, and such Vested Terminated Participant had survived to his Early Retirement Date, had retired immediately upon attainment of his Early Retirement Date and immediately commenced receiving his Retirement Pension, reduced as provided in Section 5.01, except that a reduction shall be made for the joint and survivor factor. The annuity described in this Subsection (c) shall commence to be payable, at the election of such Spouse or Domestic Partner , as

of the first day of any month coincident with or next following the date on which the Vested Terminated Participant would have attained his Early Retirement Date.

1.47 "REQUIRED BEGINNING DATE"

(a) for a Participant who is not a five-percent (5%) owner (as defined in Section 416 of the Code) in the Plan Year in which he attains age 70½ and who attains age 70½ after December 31, 1998, April 1 of the calendar year following the calendar year in which occurs the later of the Participant's (i) attainment of age 70½ or (ii) Retirement.

(b) for a Participant who (i) is a five-percent (5%) owner (as defined in Section 416 of the Code) in the Plan Year in which he attains age 70½, or (ii) attains age 70½ before January 1, 1999, April 1 of the calendar year following the calendar year in which the Participant attains age 70½.

1.48 "RETIRED PARTICIPANT" means any Participant or former Participant who is entitled to benefits pursuant to Article III, Article IV or Article V.

1.49 "RETIREMENT" means any Termination of Employment, other than by reason of death, on or after an Employee's Early or Normal Retirement Date.

1.50 "RETIREMENT PENSION" (a) means the annual pension to which a Participant shall become entitled pursuant to Article III, Article IV or Article V. Except as otherwise provided in this Plan, such Retirement Pension shall be a non-assignable annuity payable in monthly installments, each of which shall be equal to one-twelfth (1/12th) of the Retirement Pension determined pursuant to Article III, Article IV or Article V, whichever is applicable. The first payment of such Retirement Pension shall be made in accordance with the appropriate provisions of Article III, Article IV or Article V, and, except as otherwise provided in this Plan, the last such payment shall be made on the first day of the month within which the Retired Participant's death occurs.

(b) Nothing herein shall affect or lessen the rights of any Participant or Beneficiary or the right of any Participant to receive a Qualified Joint and Survivor Annuity or Qualified Optional Survivor Annuity under the provisions of Section 3.03 or to elect any optional form of payment under the provisions of Article VI.

1.51 "RETIREMENT PENSION STARTING DATE" means the date as of which a Retired Participant's Retirement Pension commences to be payable under the terms of this Plan. A Participant's Retirement Pension Starting Date shall in no event be later than the sixtieth (60th) day after the last day of the Plan Year in which occurs the later of the date on which he attains the age of sixty-five (65) years or the date of his Termination of Employment, but in no event later than the Participant's Required Beginning Date.

1.52 “SPOUSE” means, subject to applicable federal law:

(a) in the case of a Participant who dies before his Retirement Pension Starting Date, his lawfully married spouse on the date of his death if such spouse was married to such Participant;

(b) in the case of a Participant who dies on or after his Retirement Pension Starting Date, his lawfully married spouse on his Retirement Pension Starting Date; and

(c) a former spouse of the Participant to the extent provided in a qualified domestic relations order as described in Section 414(p) of the Code.

1.53 “SPOUSAL CONSENT” means with respect to the election by a married Participant not to receive a Qualified Joint and Survivor Annuity pursuant to Section 3.03 or a Qualified Preretirement Survivor Annuity pursuant to Section 7.02(a) or to the consent of a Participant’s Spouse to the commencement of a Participant’s Retirement Pension pursuant to Section 4.04 or 5.01, that

(a) the Participant’s Spouse consents in writing to such election or Retirement Pension commencement, and the Spouse’s consent acknowledges the effect of such election and is witnessed by a member of the Administrative Committee or by a notary public; or

(b) it is established to the Administrative Committee’s satisfaction that the consent required under Subsection (a) hereof is unobtainable because the Participant is unmarried, because the Participant’s Spouse cannot be located, or because of such other circumstances as the Secretary of the Treasury may by regulation prescribe.

Any such consent and any such determination as to the impossibility of obtaining such consent shall be effective only with respect to the individual who signs such consent or with respect to whom such determination is made and not with respect to any individual who may subsequently become the Spouse of such Participant.

1.54 “TERMINATION OF EMPLOYMENT” means the date on which an Employee ceases to be employed by an Employer or Affiliate for any reason; provided, however, that no Termination of Employment shall be deemed to occur upon an Employee’s transfer from the employ of one employer or Affiliate to the employ of another Employer or Affiliate.

1.55 “TOP PAID GROUP” means the top twenty percent (20%) of Employees who performed services for the Employer during the applicable year, ranked according to the amount of “415 Compensation” (determined for this purpose in accordance with Section 1.32) received from the Employer during such year. All Affiliated Employers shall be taken into account as a single employer, and Leased Employees within the

meaning of Sections 414(n)(2) and 414(o)(2) of the Code shall be considered Employees unless such Leased Employees are covered by a plan described in Section 414(n)(5) of the Code and are not covered in any qualified plan maintained by the Employer. Employees who are non-resident aliens and who received no earned income (within the meaning of Section 911(d)(2) of the Code from the Employer constituting United States source income within the meaning of Section 861(a)(3) of the Code shall not be treated as Employees. Additionally, for the purpose of determining the number of active Employees in any year, the following additional Employees shall also be excluded; however, such Employees shall still be considered for the purpose of identifying the particular Employees in the Top Paid Group:

(a) Employees with less than six (6) months of service;

(b) Employees who normally work less than 17½ hours per week;

(c) Employees who normally work less than six (6) months during a year; and

(d) Employees who have not yet attained age 21.

1.56 "TREASURY REGULATIONS" means the regulations promulgated by the Internal Revenue Service and the Secretary of the Treasury under the Code.

1.57 "TRUST" means the trust forming part of this Plan.

1.58 "TRUST FUND" means all the assets of the Plan which are held by the Trustee.

1.59 "TRUSTEE" means the persons or entity acting, at any time, as trustee of the Trust Fund.

1.60 "YEARS OF SERVICE" means the following:

(a) all Plan Years during each of which an Employee completes at least one thousand (1,000) Hours of Service;

(b) for an Employee employed by the Company as of December 31, 1979, "Years of Service" shall include any calendar year during which he was employed on a full-time basis for the entire year prior to the Effective Date by either the Company, or Donaldson, Lufkin & Jenrette Inc. ("DLJ"), or an affiliated company of DLJ, or Wood, Struthers & Winthrop, Inc. or Pershing Co., Inc.;

(c) in the case of any Plan Year consisting of fewer than twelve (12) months, the number of Hours of Service required to complete a Year of Service shall be determined by multiplying the number of months in such short Plan Year by eighty-three and one-third (83-1/3);

(d) for the purpose of applying the rules in Section 4.03 to the eligibility provisions in Article II, pursuant to Section 2.06(c), Years of Service shall include the twelve (12) month period, beginning on an Employee's Employment Commencement Date, during which he has completed one thousand (1000) Hours of Service; and

(e) solely for the purposes of the eligibility provisions of Article II and the vesting provisions of Article IV and not for purposes of determining Credited Service under Section 1.15, in the case of an Employee who was an employee of Eberstadt Asset Management, Inc. ("Eberstadt") on November 20, 1984, service with Eberstadt on or prior to such date shall be considered as service with an Employer or an Affiliate;

(f) any other provision of the Plan notwithstanding, including but not limited to Section 3.02(b) and the proviso contained in Section 1.13(b)(2) solely for the purposes of the eligibility provisions of Article II and the vesting provisions of Article IV and not for purposes of determining Credited Service under Section 1.15, in the case of an Employee who was an employee of Equitable Capital Management Corporation ("ECMC") on July 22, 1993, service with ECMC on or prior to such date shall be considered as service with an Employer or an Affiliate;

(g) for purposes of determining an Employee's Early Retirement Date under the Plan, in the case of any individual who became an Employee on March 3, 1970, such an Employee (whether or not employed on January 1, 1993) shall be credited with a full Year of Service with respect to calendar year 1970, regardless of whether a Year of Service would otherwise have been credited under the Plan.

(h) solely for the purposes of the eligibility provisions of Article II and the vesting provisions of Article IV and not for purposes of determining Credited Service under Section 1.15, in the case of an Employee who was an employee of either Shields Asset Management, Incorporated ("Shields") or Regent Investor Services Incorporated ("Regent") on March 4, 1994 and on that date became an Employee of an Employer or an Affiliate, the Employee's service with Shields or Regent on or prior to such date shall be considered as service with an Employer or an Affiliate.

(i) solely for the purposes of the eligibility provisions of Article II and the vesting provisions of Article IV and not for purposes of determining Credited Service under Section 1.15, in the case of an Employee who was an employee of Cursitor Holdings, L.P. or Cursitor Holdings Limited (individually and collectively, "Cursitor") on February 29, 1996, and on that date either was employed by or continued in the employment of Cursitor Alliance LLC, Cursitor Holdings Limited, Draycott Partners, Ltd. or Cursitor-Eaton Asset Management

Company, the Employee's service with Cursitor on or prior to that date shall be considered as service with an Employer or an Affiliate.

(j) Notwithstanding anything herein to the contrary, Years of Service shall not include any service for the Employer after the Freeze Date, except with respect to vesting and eligibility for early retirement benefits.

ARTICLE II

ELIGIBILITY FOR PARTICIPATION

2.01 Each Employee who was a Participant on the Restatement Effective Date shall remain a Participant hereunder.

2.02 An Employee who does not become a Participant pursuant to Section 2.01 and who has attained age twenty-one (21) shall become a Participant as follows:

(a) if he shall have completed one thousand (1,000) Hours of Service during the twelve (12) month period beginning on his Employment Commencement Date, he shall become a Participant as of the Entry Date of the Plan Year in which occurs the end of such twelve (12) month period;

(b) if he has not satisfied the service requirements of Subsection (a), he shall become a Participant as of the Entry Date of the Plan Year immediately following the first Plan Year in which he completes one thousand (1,000) Hours of Service.

2.03 If an Employee has not attained age twenty-one (21) on the date on which he satisfies the service requirement of Section 2.02, he shall become a Participant on the Entry Date of the Plan Year in which he attains his twenty-first (21st) birthday.

2.04 If the Administrative Committee so requests, an Employee who has qualified for participation in the Plan shall file with the Administrative Committee a statement in such form as the Administrative Committee may prescribe, setting forth his age and giving such proof thereof as the Administrative Committee may require.

2.05 A Participant shall cease to be a Participant as of either:

(a) the date of his Termination of Employment if he incurs a Break in Service during the Plan Year of such Termination of Employment or in the next succeeding Plan Year; or

(b) the first day of the first Plan Year in which he incurs a Break in Service, if he incurs a Break in Service without incurring a Termination of Employment.

2.06 (a) A former Participant who has incurred a Break in Service following a Termination of Employment and who is re-employed by an Employer or Affiliate shall again become a Participant on the earlier of:

(1) his most recent Employment Commencement Date, if he completes one thousand (1,000) Hours of Service during the twelve (12) month period beginning on such date; or

(2) the first day of the first Plan Year following his most recent Employment Commencement Date during which he completes one thousand (1,000) Hours of Service.

(b) A former Participant who has incurred a Break in Service without a Termination of Employment shall again become a Participant as of the first day of the subsequent Plan Year during which he completes one thousand (1,000) Hours of Service.

(c) If the provisions of Section 4.03 are applicable to a former Participant, then Section 2.06(a) or (b) shall be inapplicable, and such former Participant shall again become a Participant when he satisfies the provisions of Section 2.02.

2.07 An Employee who is an Excluded Employee on the date on which he would otherwise become a Participant pursuant to Sections 2.01, 2.02, 2.03 or 2.06, shall become a Participant on the date, if any, on which he ceases to be an Excluded Employee, if he is then an Employee.

2.08 Notwithstanding any provision of this Plan to the contrary, effective as of December 12, 1994, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with Section 414(u) of the Code.

2.09 Notwithstanding any other provision of the Plan, the following individuals shall not be eligible to participate or be a Participant in this Plan: (i) any person who becomes an Employee on or after October 2, 2000, and (ii) employees of Sanford C. Bernstein, Inc., Sanford C. Bernstein & Co., Inc. and Bernstein Technologies Inc. and their subsidiaries who became Employees upon or after the consummation of the transactions described in that certain Acquisition Agreement dated as of June 20, 2000, as amended and restated as of October 2, 2000, among Alliance Capital Management L.P., Alliance Capital Management Holding L.P., Alliance Capital Management LLC, Sanford C. Bernstein Inc., Bernstein Technologies Inc., SCB Partners Inc., Sanford C. Bernstein & Co., LLC and SCB LLC.

ARTICLE III

RETIREMENT ON OR AFTER NORMAL RETIREMENT DATE

3.01 Each Participant shall be retired no later than on his seventieth (70th) birthday if permitted under the provisions of the Age Discrimination in Employment Act, unless both he and his Employer agree that he shall be continued as an Employee beyond that date. Payments from the Plan shall begin in any event on the Participant's Required Beginning Date in accordance with Section 3.03(a), applied as if the Participant's Retirement occurred on the last day of the calendar year immediately preceding his Required Beginning Date. If a Participant continues as an Employee following his Required Beginning Date, the amount of the Participant's Retirement Pension payable upon his actual Retirement shall be actuarially reduced, in accordance with Section 1.02 of the Plan, to reflect any payments the Participant received prior to such Retirement following the Required Beginning Date; provided, however, that the preceding reduction shall not apply to any Participant who attained his Required Beginning Date before January 1, 1996. Notwithstanding any provision of this Plan to the contrary, the provisions of this Section 3.01 shall be construed in a manner that complies with Section 401(a)(9) of the Code. With respect to distributions made on or after January 1, 2001 and prior to January 1, 2003, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the Treasury Regulations thereunder that were proposed in January 2001, the provisions of which are hereby incorporated by reference. With respect to distributions made on or after January 1, 2003, notwithstanding any provision of this Plan to the contrary, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the final Treasury Regulations thereunder, as reflected in Appendix A to the Plan.

3.02 (a) A Participant shall be fully (100%) vested in his Accrued Benefit on his sixty-fifth (65^{th}) birthday. Upon his Retirement on or after his Normal Retirement Date, the Participant shall be entitled to receive a Retirement Pension, commencing on such date, equal to:

(1) (A) one and one-half percent (1-1/2%) of his Average Final Compensation multiplied by the number, not exceeding thirty-five (35), of his years of Credited Service completed prior to his Retirement, reduced by

(B) sixty-five one hundredths of one percent (.65%) of his Final Average Compensation multiplied by the number, not exceeding thirty five (35), of his years of Credited Service completed prior to his Retirement, plus

(C) one percent (1%) of his Average Final Compensation multiplied by the number, if any, of his years of Credited Service exceeding thirty-five (35) completed prior to his Retirement, or

(2) (A) one and one-half percent (1-1/2%) of his Past Final Average Compensation multiplied by the number of his years of Credited Service completed as of December 31, 1988, reduced by

(B) one and two-thirds percent (1-2/3%) of his Primary Social Security Benefit multiplied by the number of his years of Credited Service completed as of December 31, l988, but in no event by more than eighty-three and a third percent (83-1/3%) of his Primary Social Security Benefit, plus

(C) one and one-half percent (1-1/2%) of his Average Final Compensation multiplied by the number, not exceeding thirty-five (35) (less the number of years of Credited Service referred to in Paragraph (2) (A) hereof, but not reduced below zero), of his years of Credited Service completed after 1988 and prior to January 1, 1991, reduced by

(D) sixty-five one hundredths of one percent (.65%) of his Final Average Compensation multiplied by the number, not exceeding thirty five (35) (less the number of years of Credited Service referred to in Paragraph (2) (A) hereof, but not reduced below zero), of his years of Credited Service completed after 1988 and prior to January 1, 1991, plus

(E) one percent (1%) of his Average Final Compensation multiplied by the number, if any, of his years of Credited Service exceeding thirty-five (35) completed after 1988 and prior to January 1, 1991.

(3) Notwithstanding Paragraphs (1) and (2) above, in the case of a Participant who is not a Highly Compensated Employee described in Section 414(q)(1)(A) or (B) of the Code, the Retirement Pension shall not be less than:

(A) one and one-half percent (1-1/2%) of his Past Final Average Compensation multiplied by the number of his years of Credited Service completed prior to 1990, reduced by

(B) one and two-thirds percent (1-2/3%) of his Primary Social Security Benefit, multiplied by the number of his years of Credited Service completed prior to 1990, but in no event by more than eighty-three and one third percent (83-1/3%) of his Primary Social Security Benefit.

(b) Notwithstanding Subsection (a), the Retirement Pension of a Participant who is referred to in the proviso of Section 1.15(b)(2) shall be reduced, but not below the amount computed under Subsection (a) without regard to the Participant's Credited Service referred to in that proviso, by the retirement pension based on the Credited Service referred to in the proviso which the Participant is entitled to receive upon his Retirement on or after his Normal

Retirement Date pursuant to the "defined benefit plan" of any Affiliate referred to in the proviso or any successor or transferor plan or that he would have been entitled to receive but for the prior payment of all or a portion of his benefits under any such plan.

(c) Notwithstanding the foregoing, the retirement pension to which a participant is entitled upon his actual date of Retirement shall in no case be less than the Retirement Pension to which he would have been entitled if he had retired on any earlier date on or after his Early Retirement Date.

(d) Notwithstanding any other provision of this Plan, the Retirement Pension of a Participant, calculated on a life annuity basis, may not exceed $100,000 per year.

(e) Notwithstanding the foregoing, the Retirement Pension of a Participant described in this subsection (e) shall be equal to the greater of:

(1) the Participant's Retirement Pension determined under Section 3.02(a)-(d) as applied to the Participant's total years of Credited Service under the Plan; or

(2) the sum of: (A) the Participant's Retirement Pension as of December 31, 1993, frozen in accordance with Treasury Regulation Section 1.401(a)(4)-13, and (B) the Participant's Retirement Pension determined under 3.02(a)-(d), as applied to the Participant's years of Credited Service accrued after December 31, 1993.

The previous sentence shall apply only to a Participant whose Retirement Pension determined on or after January 1, 1994 is based, at least in part, on Compensation for a Plan Year beginning prior to January 1, 1994 that exceeded $150,000.

(f) If a Participant (other than a 5% owner as described in Section 414(q) of the Code) continues as an Employee after the April 1 of the calendar year following the calendar year in which such Participant attains age 70½ (the "April 1 Date"), the provisions of this Section 3.02(f) shall apply in place of the provisions of Section 3.04(a) for periods of employment after the April 1 Date. The Participant's Accrued Benefit, determined as of any date after the April 1 Date, shall equal the greater of:

(1) the Actuarial Equivalent, as of the date of such determination, of the Participant's Accrued Benefit determined as of the April 1 Date (if the determination is made in the Plan Year in which the April 1 Date occurs), or determined as of the last day of the prior Plan Year (if the determination is made in any later year), or

(2) the Participant's Accrued Benefit determined as of the last day of the prior Plan Year, increased by any additional accrual due to Credited Service earned in the current Plan Year.

3.03 (a) (1) Notwithstanding any other provision of the Plan and except as provided in Paragraph (2) hereof and in Subsection (b), the Retirement Pension of a married Participant or former married Participant shall be paid in the form of a 50% Qualified Joint and Survivor Annuity, and if the Participant is not married, in the form of a Single Life Annuity.

(2) Distribution to a Participant in a single sum payment of the entire Actuarial Equivalent of the Accrued Benefit to which he has become entitled shall be made:

(A) if such distribution is made prior to the date on which payment of the Qualified Joint and Survivor Annuity or Qualified Optional Survivor Annuity commences and the amount of such distribution is $5,000 or less; or

(B) in any case not described in subparagraph (A), with the written consent of the Participant and his Spouse (or, if the Participant has died, of his surviving Spouse).

For purposes of this Subsection, if the Actuarial Equivalent of the Retirement Pension to which a Participant has become entitled is zero, the Participant shall be deemed to have fully received a distribution of such zero Retirement Pension in a single sum.

Effective as of March 28, 2005, single sum payments pursuant to subparagraph 3.03(a)(2)(A) will be made without the Participant's consent if the amount of the distribution is $1,000 or less and will be made only with the Participant's consent if the amount exceeds $1,000 but is not in excess of $5,000.

(b) A Participant or former Participant shall have the right to elect, during the 180 day period (90 day period prior to January 1, 2007) terminating on his Retirement Pension Starting Date and subject to Spousal Consent, not to receive his Retirement Pension in the form of a Qualified Joint and Survivor Annuity. Any election made under this Subsection (b) may be revoked at any time and, once revoked, may be made again. Notwithstanding the foregoing, a married Participant's waiver of the Qualified Joint and Survivor Annuity and election to receive his Retirement Pension in the form of a Qualified Optional Survivor Annuity or a joint and 100% survivor annuity with his Spouse as Beneficiary shall not be subject to Spousal Consent.

(c) The Administrative Committee shall provide to each Participant, no less than 30 days and no more than 180 days (90 days before January 1, 2007) before his or her Retirement Pension Starting Date, a written explanation of:

(1) the terms and conditions of the Qualified Joint and Survivor Annuity;

(2) the Participant's right to make, and the effect of, an election under Subsection (b) to waiver the Qualified Joint and Survivor Annuity; and

(3) the rights of the Participant's Spouse with respect to such election; and

(4) the right to make, and the effect of, a revocation of any such election; and

(5) a general description of the eligibility conditions and other features of the optional forms of benefit under the Plan, and sufficient information to explain the relative values of these optional forms of benefits as compared to the normal form of the payment; and

(6) if applicable, the financial effect of failing to defer receipt of such retirement benefit until such Participant's Normal Retirement Date.

A Participant may elect (with any applicable spousal consent) to waive the requirement that the written explanation be provided at least 30 days before the Retirement Pension Starting Date if the distribution commences more than 7 days after such explanation is provided.

(d) The written notification described in Subsection (c) shall be furnished by the Administrative Committee by mail or personal delivery to the Participant or, to the extent permitted by regulations, by posting such notification, in accordance with Treasury Regulation Section 1.7476-2(c) (1), at all locations normally used by the Employer for the posting of employee matters.

(e) If a Participant so requests on or before the sixtieth (60th) day after the information described in Subsection (c) is furnished to him (or by such later date as the Administrative Committee shall prescribe), within thirty (30) days after its receipt of such request, personally deliver or mail to him a written explanation of the terms and conditions of the Qualified Joint and Survivor Annuity and Qualified Optional Survivor Annuity and of the financial effect on the Participant's Retirement Pension (in terms of dollars per Retirement Pension payment), of electing and of not electing to receive benefits in such form.

(f) A Participant who elects not to receive his Retirement Pension in the form of a Qualified Joint and Survivor Annuity or whose Spouse does not meet the requirements of Section 1.52 shall receive his Retirement Pension in the form specified by the Option which he has elected pursuant to Article VII or, if no such Option has been elected, in the form of an annuity for his own life.

3.04 Notwithstanding anything to the contrary contained in this Plan (except to the extent otherwise provided in Section 3.02(f)),

(a) If a Participant continues as an Employee after his Normal Retirement Date, the Participant's Accrued Benefit shall be actuarially increased to take into account the period after his Normal Retirement Date during which the Participant was not receiving any benefits under the Plan. The Participant's Accrued Benefit, determined as of any date after his Normal Retirement Date, shall equal the greater of:

(1) the Actuarial Equivalent, as of the date of such determination, of the Participant's Accrued Benefit determined as of his Normal Retirement Date (if the determination is made in the Plan Year in which he reaches his Normal Retirement Date), or determined as of the last day of the prior Plan Year (if the determination is made in any later year), or

(2) the Participant's Accrued Benefit determined as of the last day of the prior Plan Year, increased by any additional accrual due to Credited Service earned in the current Plan Year.

(b) If a Participant, after his Normal Retirement Date, again becomes an Employee, his Retirement Pension shall be suspended during the period of his reemployment. The amount of such reemployed Participant's Retirement Pension payable upon his subsequent retirement shall be determined in accordance with Section 3.04(a), except that (1) the Participant's date of reemployment shall be substituted for the Participant's Normal Retirement Date and (2) such Retirement Pension shall be reduced by the Actuarial Equivalent of the retirement benefits previously received.

ARTICLE IV

VESTING

4.01 (a) A Participant whose Termination of Employment occurs, other than by reason of his death or Disability, prior to his Early Retirement Date, shall have a vested interest in his Accrued Benefit determined in accordance with the following schedule:

Years of Service	Percentage Vested
Fewer than Five	0%
Five or more	100%

provided that the applicable percentage for a Participant who had four (4) but fewer than five (5) Years of Service prior to October 25, 1989 shall in no event be less than forty percent (40%).

(b) Notwithstanding the foregoing, a Participant shall be fully (100%) vested upon his death, upon his Termination of Employment due to Disability, or upon attaining his Early Retirement Date. In addition, if a Participant dies during a period of qualified military service, he shall be treated as fully (100%) vested in his Accrued Benefit.

4.02 If a former Employee again becomes an Employee after having incurred a Break in Service, the Years of Service which he had completed prior to such Break in Service shall be disregarded for all purposes under this Plan until he shall have completed one (1) Year of Service after such Break in Service.

4.03 If a former Employee:

(a) has incurred a number of consecutive Breaks in Service which equals or exceeds the greater of (i) five (5) or (ii) the number of his Years of Service before such Breaks in Service;

(b) had no vested interest in his Accrued Benefit at the time of such Break in Service; and

(c) again becomes an Employee, his Years of Service prior to such Breaks in Service shall be disregarded for all purposes under this plan.

4.04 (a) A vested Participant whose Termination of Employment occurs, other than by reason of his death or Disability, prior to his Early Retirement Date shall be entitled to a Retirement Pension:

(1) commencing on his Early Retirement Date; or

(2) at his written election, commencing on the first day of any month after his Early Retirement Date but not later than his Normal Retirement Date;

and which is the Actuarial Equivalent, as of his Retirement Pension Starting Date, of his Accrued Benefit; provided, that without the written consent of the Participant, and if the Participant is married, Spousal Consent, such Retirement Pension shall not commence prior to his Normal Retirement Date if the Actuarial Equivalent of such Retirement Pension is greater than $5,000 (for Participants whose Termination of Employment occurs before January 1, 1998, $3,500).

(b) Notwithstanding any other provision of this Plan, if a Participant is entitled to a Retirement Pension pursuant to the provisions of this Article IV, such Retirement Pension shall be paid in accordance with the provisions of Section 3.04.

4.05 In the case of a former Participant who is reemployed by any Employer or an Affiliate before such Participant's Normal Retirement Date:

(a) if he is receiving a Retirement Pension at the time of his reemployment, such Retirement Pension shall be suspended during the period of his reemployment, and any years of Credited Service with respect to which he has received any benefits under this Plan shall be taken into account for purposes of determining his benefit under benefit accrual provisions of Section 3.02 or Subsection 11.04(a)(2), but the amount of his Retirement Pension, when payable, shall be reduced by the Actuarial Equivalent of such benefits previously received;

(b) if he had received a single sum distribution (or been deemed to have received such a distribution under Subsection 3.03(a)(2) hereof) or any optional payment under the terms of the Plan, his Years of Credited Service with respect to which he had received any benefits under this Plan shall be taken into account for purposes of determining his benefit under the benefit accrual provisions of Section 3.01 or Subsection 11.04(a)(2), but the amount of his Retirement Pension, when payable, shall be reduced by the Actuarial Equivalent of the benefits previously received. In the case of an Employee whose period of reemployment extends beyond his Normal Retirement Date, the provisions of Section 3.04(a) shall apply in addition to the provisions of this Section 4.05.

ARTICLE V

EARLY RETIREMENT AND DISABILITY BENEFIT

5.01 Upon Retirement on or after his Early Retirement Date but before his Normal Retirement Date, a Participant shall be entitled to elect to receive, with his written consent and the consent of his Spouse, if applicable, a Retirement Pension commencing on:

(a) the first day of the month coincident with or next following the date of his Retirement; or

(b) the first day of any month which precedes his Normal Retirement Date;

which is the Actuarial Equivalent as of his Normal Retirement Date of his Accrued Benefit.

Notwithstanding the foregoing, however, in no event shall the Participant's Retirement Pension payable pursuant to this Section 5.01 be less than the Participant's Retirement Pension determined under this Section as of December 31, 1995 based on the Annuity Purchase Rate and mortality determined by application of the UP-1984 mortality table set back one year.

5.02 Upon a Participant's Termination of Employment due to Disability, he shall be fully (100%) vested in his Accrued Benefit and shall be entitled to receive a Retirement Pension commencing on his Normal Retirement which is equal to his Accrued Benefit as of the date of his Termination of Employment.

5.03 Notwithstanding any other provision of this Plan, if a Participant is entitled to a Retirement Pension pursuant to the provisions of this Article V, such Retirement Pension shall be paid in accordance with the provisions of Section 3.04.

ARTICLE VI

OPTIONAL METHODS OF PAYMENT

6.01 The optional methods of payment set forth in this Section 6.01 shall be available under the Plan and shall be elected in the manner provided herein.

(a) Election Procedure.

A Participant or Retired Participant may elect any of the Options provided herein, which Option shall be the Actuarial Equivalent (determined as of his Retirement Pension Starting Date) of the Retirement Pension otherwise payable to him in accordance with Article III, Article IV or Article V, whichever is applicable; provided, however, that no Option may be elected which would permit his Beneficiary (other than his Spouse) to receive a benefit which is fifty percent (50%) or more of the Actuarial Equivalent (determined as of the Participant's projected Retirement Pension Starting Date) of the combined benefits payable to such Beneficiary and such Participant or Retired Participant. Such election shall be made in accordance with Section 3.03(b). Except as otherwise provided in this Article VI, an Option shall become effective on the later of (1) the date a Participant elects an Option, or (2) his Retirement Pension Starting Date. If a Participant or Retired Participant dies before the date on which an Option becomes effective, any election of such Option shall be null and void. A married Participant may elect an Option only if he elects, in accordance with Section 3.03, not to receive benefits in the form of a Qualified Joint and Survivor Annuity or Qualified Optional Survivor Annuity.

(b) The following Options may be elected by a Participant:

Option 1

Life Annuity: A Participant or Retired Participant may elect to receive his Retirement Pension in the form of an annuity for his own life only.

Option 2

Joint and Survivor Annuity: (1) A Participant or Retired Participant may elect to receive an actuarially adjusted Retirement Pension payable to himself in equal monthly installments for his lifetime and thereafter payable to his Beneficiary, if such Beneficiary survives him, in equal monthly installments at a rate of fifty percent (50%), seventy-five percent (75%) or one hundred percent (100%), as the Participant or Retired Participant may designate, of the Retirement Pension payable during their joint lifetimes. Election of this Option is conditioned upon the statement of the name and gender of the Beneficiary in such election, and in addition, the delivery to the Administrative Committee within ninety (90) days after filing such election of proof, satisfactory to the Administrative Committee, of the age of the Beneficiary.

(2) If his Beneficiary dies before the Retirement Pension Starting Date of the Participant or Retired Participant, any election of this Option 2 shall be null and void.

(3) If his Beneficiary dies after the Retired Participant's Retirement Pension Starting Date, the election of this Option 2 shall be effective, and the Participant or Retired Participant shall receive or continue to receive the same actuarially adjusted Retirement Pension as if his Beneficiary had not predeceased him.

Option 3

Life Annuity - Period Certain: A Participant or Retired Participant may elect to receive an actuarially adjusted Retirement Pension payable in equal monthly installments for his lifetime or over a period certain not longer than the greater of the Participant's life expectancy on his Retirement Pension Starting Date, or the joint life and last survivor expectancy of the Participant or Retired Participant and his Beneficiary on his Retirement Pension Starting Date, determined under the Treasury Regulations under Section 72 of the Code. If the Participant or Retired Participant dies prior to the end of the period certain, the remaining installments shall be paid to his Beneficiary. Notwithstanding the foregoing, effective 180 days after the adoption of the amended and restated Plan document, effective January 1, 2010, the period certain option shall be limited to a period certain of either ten (10) years or fifteen (15) years as elected by a Participant.

Option 4

Single Sum Distribution: A Participant or Retired Participant may elect to receive the Actuarial Equivalent of his Accrued Benefit, computed as of his Retirement date, in the form of a single sum distribution. Such amount shall be paid to him, or, if he dies between the date on which the distribution first becomes payable and the date of actual distribution, to his Beneficiary, within sixty days after the date which would otherwise have been his Retirement Pension Starting Date; provided, however, that the entire amount shall be distributed within a single taxable year of the recipient. In no event shall a Participant's benefit payable under this Option 4 be less than would have been payable under the terms of the Plan in effect on December 31, 1995 based on the Participant's Accrued Benefit as of that date.

Option 5

Payment in Installments: A Participant or Retired Participant may elect to have the Actuarial Equivalent of his Accrued Benefit, computed as of his Retirement date, paid to him in approximately equal installments, payable no less often than annually, over a period certain not longer than the greater of the Participant's life expectancy on his Retirement Pension Starting Date, or the joint life and last survivor expectancy of the Participant or Retired Participant and his Beneficiary on his Retirement Pension Starting Date, determined under the Treasury Regulations under Section 72 of the Code. If the

Participant or Retired Participant dies prior to the end of the period certain, the remaining installments shall be paid to his Beneficiary. In no event shall a Participant's benefit payable under this Option 5 be less than would have been payable under the terms of the Plan in effect on December 31, 1995 based on the Participant's Accrued Benefit as of that date. Notwithstanding the foregoing, effective 180 days after the adoption of the amended and restated Plan document, effective January 1, 2010, the installment option shall be limited to a period certain of either ten (10) years or fifteen (15) years as elected by a Participant.

(c) Change of Option:

A Participant or Retired Participant may elect to change the Option then in effect at any time during the period provided in Subsection (a) within which an Option may be elected; provided, however, that a Participant or Retired Participant may not elect to change the Option then in effect more frequently than once during any consecutive twelve (12) month period.

(d) Designation of Beneficiary:

(1) Upon receipt of notification from the Administrative Committee that he has qualified for participation in the Plan, a Participant may designate a Beneficiary or Beneficiaries and a successor Beneficiary or Beneficiaries. A Participant or Retired Participant may change such designation from time to time by filing a new designation with the Administrative Committee. No change of Beneficiary shall require the consent of any previously designated Beneficiary, and no Beneficiary shall have any rights under this Plan except as specifically provided by its terms.

(2) If a Retired Participant (other than one who has elected Option 1 or 2) has failed to designate a Beneficiary, or if his Beneficiary has predeceased him, or if he has instructed the Administrative Committee in writing to designate a Beneficiary, the Administrative Committee shall designate a Beneficiary or Beneficiaries on his behalf, but only from among his Spouse, descendants (including adoptive descendants), parents, brothers and sisters, or nephews and nieces; provided, however, that if the Retired Participant had instructed the Administrative Committee in writing to designate in a specified order or from a specified group, the Administrative Committee shall act only in accordance with such written instructions. If a Retired Participant has no validly designated Beneficiary, the Actuarial Equivalent of any amounts which would otherwise have been payable to a Beneficiary shall be paid to the Retired Participant's estate.

(3) If the Beneficiary of a Participant or Retired Participant predeceases him the rights of such Beneficiary shall thereupon terminate.

(4) If a Retired Participant dies after any installment of his Retirement Pension has become due but has not yet been paid to him, the balance of such installment shall be paid to his Beneficiary.

6.02 The Administrative Committee is authorized and empowered from time to time to adopt and fairly to administer regulations relating to the exercise or operation of an Option; provided, however, that no such regulation shall be inconsistent with the provisions of Section 6.01. Without limiting the generality of the foregoing such regulations may prescribe:

(a) such terms and conditions as the Administrative Committee shall deem appropriate in respect of the exercise of any Option;

(b) the form of application;

(c) any information or proof thereof to be furnished by a Participant, a Retired Participant or a Beneficiary in connection with any Option; and

(d) any other requirement or condition relating to any Option.

6.03 The Administrative Committee may, in its sole discretion, at any time or from time to time, provide the benefits to which any Retired Participant or his Beneficiary is entitled under this Plan by purchase of any form of nonassignable annuity contract. Upon the purchase of any such contract, the rights of the Retired Participant and his Beneficiary to receive any payments pursuant to this Plan shall be exclusively limited to such rights as may accrue under such contract, and neither such Retired Participant nor his Beneficiary shall have any further claim against his Employer, the Administrative Committee, the Trustee or any other person.

6.04 If, at any time, any Retired Participant or his Beneficiary is, in the judgment of the Administrative Committee, legally, physically or mentally incapable of personally receiving and receipting for any payment due hereunder, payment may, in the discretion of the Administrative Committee, be made to the guardian or legal representative of such Retired Participant or Beneficiary or, if none exists, to any other person or institution which, in the judgment of the Administrative Committee, is then maintaining, or then has custody of, such Retired Participant or Beneficiary.

6.05 Notwithstanding anything to the contrary contained in this Plan:

(a) The entire interest of each Participant must be distributed or begin to be distributed no later than the Participant’s Required Beginning Date.

(b) Distributions, if not made in a single sum, may only be made over one of the following periods (or a combination thereof):

(1) the life of the Participant,

(2) the life of the Participant and Designated Beneficiary,

(3) a period certain not extending beyond the life expectancy of the Participant, or

(4) a period certain not extending beyond the joint and last survivor expectancy of the Participant and his Designated Beneficiary.

(c) If the Participant dies after distribution of his or her interest has begun, the remaining portion of such interest will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.

(d) If the Participant dies before distribution of his or her interest begins, distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth (5th) anniversary of the Participant's death except to the extent that an election is made to receive distributions in accordance with (1) or (2) below:

(1) If any portion of the Participant's interest is payable to a Beneficiary, distributions may be made over the life or over a period certain not greater than the life expectancy of the Designated Beneficiary commencing on or before December 31 of the calendar year immediately following the calendar year in which the Participant died;

(2) If the Beneficiary is the Participant's surviving Spouse, the date distributions are required to begin in accordance with (a) above shall not be earlier than December 31 of the calendar year in which the Participant would have attained age 70½;

(3) If the surviving Spouse dies before the distributions to such spouse begin, the provisions of this Section 6.05(d), shall be applied as if the surviving spouse were the Participant.

(e) Any amount paid to a child of the Participant will be treated as if it has been paid to the surviving Spouse if the amount becomes payable to the surviving spouse when the child reaches the age of majority.

(f) The life expectancy of a Participant and his Spouse may be recalculated annually. The life expectancy of a non-Spouse beneficiary may not be recalculated.

(g) Notwithstanding any provision of this Plan to the contrary, the provisions of this Section 6.05 shall be construed in a manner that complies with Section 401(a)(9) of the Code. With respect to distributions made on or after January 1, 2001 and prior to January 1, 2003, the Plan will apply the minimum

distribution requirements of Section 401(a)(9) of the Code in accordance with the Treasury Regulations thereunder that were proposed in January 2001, the provisions of which are hereby incorporated by reference. With respect to distributions made on or after January 1, 2003, notwithstanding any provision of this Plan to the contrary, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the final Treasury Regulations thereunder, as reflected in Appendix A to the Plan.

6.06 Notwithstanding anything contained herein to the contrary, unless the Participant elects otherwise, distributions to the Participant will commence no later than the 60th day after the close of the Plan Year in which occurs the latest of:

(1) the Participant's attainment of age 65;

(2) the 10th anniversary of the year in which the Participant commenced participation in the Plan; or

(3) the Participant's termination of service with the Employer.

Notwithstanding the foregoing, the failure of a Participant and his Spouse to consent to a distribution at any time that any portion of the Accrued Benefit could be distributed to the Participant or his surviving Spouse prior to the time the Participant attains (or would have attained if not deceased) age 65, shall be deemed to be an election to defer payment of any benefit sufficient to satisfy this Section 6.06.

ARTICLE VII

DEATH BENEFIT

7.01 No benefits under this Plan shall be payable on account of the death of a Participant or Retired Participant other than a death benefit pursuant to Section 3.03, an Option validly elected under Article VI, or this Article VII.

7.02 (a) Except as provided in Subsection (b), if a Participant who is vested in any portion of his Accrued Benefit should die prior to his Retirement Pension Starting Date, his Spouse or Domestic Partner shall be entitled to receive a Qualified Preretirement Survivor Annuity.

(b) Notwithstanding any other provision of this Article VII, distributions of the Actuarial Equivalent of the Qualified Preretirement Survivor Annuity to which a surviving Spouse or Domestic Partner has become entitled shall immediately be made or commence to be made to the surviving Spouse or Domestic Partner in a form other than the Qualified Preretirement Survivor Annuity:

(1) if such distribution is made prior to the date on which payments of the Qualified Preretirement Survivor Annuity commence and the amount of such distribution is $5,000 (for Participants whose Termination of Employment occurs before January 1, 1998, $3,500) or less; or

(2) in any case not described in Paragraph (1), with the written consent of such surviving Spouse.

7.03 (a) The Administrative Committee shall provide each Participant within the “applicable period” for such Participant a written explanation of the Qualified Preretirement Survivor Annuity comparable to the explanation required in Section 3.03(c).

(b) The applicable period is whichever of the following periods ends last:

(1) the period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending with the close of the Plan Year preceding the Plan Year in which the Participant attains age 35;

(2) “a reasonable period” ending after the individual becomes a Participant; and

(3) “a reasonable period” ending after this Section 7.03 first applies to the Participant.

For purposes of this Section 7.03, “a reasonable period” is the end of the two year period beginning one year prior to the date the applicable event occurs, and ending one year after that date.

(c) Notwithstanding the foregoing in the case of a Participant who separates from service before the Plan Year in which age 35 is attained, notice shall be provided within the two year period beginning one year prior to separation and ending one year after separation. If the Participant thereafter returns to employment with the Employer, the “applicable period” for such participant shall be redetermined.

7.04 Notwithstanding anything to the contrary contained in this Plan, in the case of a Participant who dies on or after January 1, 2007 while performing qualified military service (as such term is defined in Section 414(u) of the Code), the survivors of the Participant shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would have been provided under the Plan had the Participant resumed employment with the Employer, and then terminated employment with the Employer on account of death.

ARTICLE VIII

DIRECT ROLLOVER DISTRIBUTIONS

8.01 Upon receiving directions from a Member who is eligible to receive a distribution from the Plan which constitutes an eligible rollover distribution, as defined in Section 402(c)(4) of the Code, to transfer all or any part of such distribution to an eligible retirement plan, as defined in Section 402(c)(8)(B) or to a Roth IRA under Section 408A (subject to the restrictions therein), the Administrative Committee shall cause the portion of the distribution which the Participant has elected to so transfer to be transferred directly to such eligible retirement plan; provided, however, that the Participant shall be required to notify the Administrative Committee of the identity of the eligible retirement plan at the time and in the manner that the Administrative Committee shall prescribe and the Administrative Committee may require the Participant or the eligible retirement plan to provide a statement that the eligible retirement plan is intended to be qualified under Section 401(a) of the Code (if the plan is intended to be so qualified) or otherwise meets the requirements necessary to be an eligible retirement plan.

8.02 Upon receiving instructions from a Beneficiary who is the Participant's Spouse who is eligible to receive a distribution pursuant to the Plan that constitutes an eligible rollover distribution as defined in Section 402(c)(4) of the Code, to transfer all or any part of such distribution to a plan that constitutes an eligible retirement plan under Section 402(c)(8)(B) of the Code with respect to that distribution, the Administrative Committee shall cause the portion of the distribution which such Spouse has elected to so transfer to the eligible retirement plan so designated; provided, however, that the Spouse shall be required to notify the Administrative Committee of the identity of the eligible retirement plan at the time and in the manner that the Administrative Committee shall prescribe.

8.03 The Administrative Committee may accomplish the direct transfer described in Section 8.01 or Section 8.02, as applicable, by delivering a check to the Participant or Spouse (in each case, a "Distributee") which is payable to the trustee, custodian or other appropriate fiduciary of the eligible retirement plan, or by such other means as the Administrative Committee may in its discretion determine. The Administrative Committee may establish such rules and procedures regarding minimum amounts which may be the subject of direct transfers and other matters pertaining to direct transfers as it deems necessary from time to time.

8.04 Effective for distributions made pursuant to the Plan after December 31, 2006, in the case of an "eligible rollover distribution" to a nonspousal distributee (a "Nonspouse Rollover"), an "eligible retirement plan" is an individual retirement account described in Section 408(a) of the Code or an individual retirement annuity described in Section 408(b) of the Code that was established for the purpose of receiving the distribution on behalf of such nonspousal distributee. Effective as of January 1, 2008, the definition of "eligible retirement plan" shall also include a Roth IRA described in Code Section 408A (subject to the limitations therein). In order for such eligible retirement

plan to accept a Nonspouse Rollover on behalf of a nonspousal distributee (1) a direct trustee-to-trustee transfer must be made to such eligible retirement plan and shall be treated as an eligible rollover distribution for purposes of the Code, (2) the individual retirement plan shall be treated as an inherited individual retirement account or individual retirement annuity (within the meaning of Section 408(d)(3)(C) of the Code) for purposes of the Code, and (3) Section 401(a)(9)(B) of the Code (other than clause (iv) thereof) shall apply to such plan. Any Nonspouse Rollover shall be made in accordance with the Pension Protection Act of 2006, Internal Revenue Service Notice 2007-7 and any subsequent guidance.

ARTICLE IX

EMPLOYER CONTRIBUTION AND FUNDING POLICY

9.01 This Plan contemplates that each Employer shall, from time to time, contribute such amounts as may, in accordance with Section 412 of the Code (as modified by Section 430 of the Code) and sound actuarial principles (as recommended by an actuary enrolled pursuant to Section 3042 of ERISA), be deemed necessary by such Employer to provide the benefits contemplated hereunder.

9.02 All contributions made by any Employer shall be paid directly to the Trustee for deposit in the Trust Fund.

9.03 Any forfeiture arising under the provisions of this Plan shall be applied to reduce contributions which would otherwise be required to be made by the Employers pursuant to Section 9.01.

9.04 The Company shall establish a funding policy and method consistent with the objectives of the Plan and the requirements of Title I of ERISA. In establishing and reviewing such funding policy and method, the Company shall endeavor to determine the Plan’s short-term and long-term financial needs, taking into account the need for liquidity to pay benefits and the need for investment growth.

ARTICLE X

LIMITATIONS ON BENEFITS

10.01 The limitations of this Section 10.01 shall apply in limitation years beginning prior to July 1, 2007, except as otherwise provided herein.

(a) The limitations of Section 415 of the Code applicable to "defined benefit plans" as defined in Section 414(j) of the Code are hereby incorporated by reference in this Plan; provided, however, that where the Code so provides, benefit limitations in effect under prior law shall be applicable to benefits accrued as of the last effective day of such prior law. In the case of a Participant who is, or has ever been, a participant in one or more "defined contribution plans" as defined in Section 414(i) of the Code maintained by Employer or any predecessor of the Employer, if benefits or contributions need to be reduced due to the application of Section 415(e) of the Code, then benefits under this Plan shall be reduced with respect to the affected Participant before any contributions credited to the Participant under any defined contribution plan maintained by the Employer shall be reduced. Notwithstanding the foregoing, the limitations of Section 415(e) of the Code shall cease to apply as of the first day of the first Plan Year beginning on or after January 1, 2000.

(b) For purposes of applying the limitations described in this Section 10.01, if benefits under the Plan are received in any form other than a straight life annuity, or if such benefits relate to rollover contributions to the Plan, then such benefit must be adjusted to a straight life annuity, beginning at the same age, which is the actuarial equivalent of such benefit. In order to determine the actuarial equivalence of different forms of benefit payment for this purpose, the interest rate assumptions may not be less than the greater of five percent (5%) or the rate specified for purposes of Section 1.02 of the Plan. For limitation years beginning on or after January 1, 1995, the actuarially equivalent straight life annuity for purposes of applying the limitations under Section 415(b) of the Code to benefits that are not subject to Section 417(e)(3) of the Code is equal to the greater of the equivalent annual benefit computed using the interest rate and mortality table, or tabular factor, specified in Section 1.02 of the Plan for actuarial equivalence for the particular form of benefit payable, and the equivalent annual benefit computed using a five percent (5%) interest rate assumption and the applicable mortality table. For Plan benefits subject to Section 417(e)(3) of the Code, the equivalent annual straight life annuity is equal to the greater of the equivalent annual benefit computed using the interest rate and mortality table, or tabular factor, specified in Section 1.02 of the Plan for actuarial equivalence for the particular form of benefit payable, and the equivalent annual benefit computed using the annual interest rate on 30 year Treasury securities as specified by the Commissioner of the Internal Revenue Service, and the mortality table described in Revenue Ruling 2001-62 or any successor table (Revenue Ruling 95-6 for

distributions with annuity starting dates prior to December 31, 2002). For limitation years beginning in 2004 or 2005, for the purposes of determining the Actuarial Equivalent value for a form of payment that is subject to Section 417(e)(3) of the Code, the interest rate assumption shall be the greater of (i) the Applicable Interest Rate or (ii) five and one half percent (5.5%). For limitation years beginning in 2006 and thereafter, for the purposes of determining the Actuarial Equivalent value for a form of payment that is subject to Section 417(e)(3) of the Code, the interest rate assumption shall be the greater of (i) the Applicable Interest Rate, (ii) five and one half percent (5.5%) or (iii) the rate that provides a benefit of not more than 105% of the benefit that would be provided if the rate (or rates) applicable in determining minimum lump sums were used.

10.02 The limitations of this Section 10.02 shall apply in limitation years beginning on or after July 1, 2007, except as otherwise provided herein.

(a) The application of the provisions of this Section 10.02 shall not cause the maximum permissible benefit for any Participant to be less than the Participant's accrued benefit under all the defined benefit plans of the Employer or a predecessor employer as of the end of the last limitation year beginning before July 1, 2007 under provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, regulations, and other published guidance relating to Section 415 of the Code in effect as of the end of the last limitation year beginning before July 1, 2007, as described in section 1.415(a)-1(g)(4) of the Treasury Regulations.

(b) Notwithstanding anything contained in the Plan to the contrary, the limitations, adjustments, and other requirements prescribed in the Plan shall comply with the provisions of Section 415 of the Code and the final regulations promulgated thereunder, the terms of which are specifically incorporated herein by reference as of July 1, 2007, except where an earlier effective date is otherwise provided in the final regulations or in this Section 10.02. However, where the final regulations permit the Plan to specify an alternative option to a default option set forth in the regulations, and the alternative option was available under statutory provisions, regulations, and other published guidance relating to Section 415 of the Code as in effect prior to April 5, 2007, and the Plan provisions in effect as of April 5, 2007 incorporated the alternative option, said alternative option shall remain in effect as a plan provision for limitation years beginning on or after July 1, 2007 unless another permissible option is selected in this Section 10.02.

(c) For purposes of the Plan's provisions reflecting Section 415(b)(3) of the Code (i.e., limiting the annual benefit payable to no more than 100% of the Participant's average annual compensation), a Participant's average compensation

shall be the average compensation for the three consecutive Years of Service that produces the highest average, except that a Participant's compensation for a Year of Service shall not include compensation in excess of the limitation under Section 401(a)(17) of the Code that is in effect for the calendar year in which such year of service begins. If the Participant has less than three consecutive Years of Service, compensation shall be averaged over the Participant's longest consecutive period of service, including fractions of years, but not less than one year. In the case of a Participant who is rehired by the Employer after a severance from employment, the Participant's high three-year average compensation shall be calculated by excluding all years for which the Participant performs no services for and receives no compensation from the Employer (the "Break Period"), and by treating the years immediately preceding and following the Break Period as consecutive.

In the case of a Participant who has had a "severance from employment" (as defined in Section 401(k) of the Code) with the Employer, the defined benefit dollar limitation applicable to the Participant in any Limitation Year beginning after the date of severance shall be automatically adjusted in the manner set forth in Section 415(d) of the Code.

10.03 Benefit Forms Not Subject to the Present Value Rules of Section 417(e)(3) of the Code.

(a) Form of benefit. Notwithstanding any provision of this Plan to the contrary, the Single Life Annuity that is the Actuarial Equivalence of the Participant's form of benefit shall be determined under this Section if the form of the Participant's benefit is either:

(i) a nondecreasing annuity (other than a Single Life Annuity) payable for a period of not less than the life of the Participant (or, in the case of a Qualified Preretirement Survivor Annuity, the life of the surviving Spouse), or

(ii) an annuity that decreases during the life of the Participant merely because of: (i) the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or (ii) the cessation or reduction of Social Security supplements or qualified disability payments (as defined in Section 401(a)(11) of the Code).

(b) Notwithstanding any provision of this Plan to the contrary, for limitation years beginning before July 1, 2007, the Actuarial Equivalence of the Single Life Annuity is equal to the annual amount of the Single Life Annuity commencing at the same Benefit Starting Date that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount:

(i) the Applicable Interest Rate and the Applicable Mortality Table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and

(ii) a five percent (5%) interest rate assumption and the Applicable Mortality Table for that Benefit Starting Date.

(c) Notwithstanding any provision of this Plan to the contrary, for limitation years beginning on or after July 1, 2007, the Actuarial Equivalence of the Single Life Annuity is equal to the greater of:

(i) the annual amount of the Single Life Annuity (if any) payable to the Participant under the Plan commencing at the same Benefit Starting Date as the Participant's form of benefit; and

(ii) the annual amount of the Single Life Annuity commencing at the same Benefit Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a five percent (5%) interest rate assumption and the Applicable Mortality Table for that Benefit Starting Date.

10.04 Benefit Forms Subject to the Present Value Rules of Section 417(e)(3) of the Code.

(a) Form of benefit. Notwithstanding any provision of this Plan to the contrary, the Single Life Annuity that is the Actuarial Equivalence of the Participant's form of benefit shall be determined as indicated under this Section if the form of the Participant's benefit is other than a benefit form described in Section 10.03.

(b) Annuity Starting Date in Plan Years Beginning After 2005. Notwithstanding any provision of this Plan to the contrary, if the Benefit Starting Date of the Participant's form of benefit is in a Plan Year beginning after December 31, 2005, the Actuarial Equivalence of the Single Life Annuity is equal to the greatest of:

(i) the annual amount of the Single Life Annuity commencing at the same Benefit Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using the Applicable Interest Rate and the Applicable Mortality Table (or other tabular factor) specified in the Plan for adjusting benefits in the same form;

(ii) the annual amount of the Single Life Annuity commencing at the same Benefit Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a five and one half percent (5.5%) interest rate assumption and the applicable mortality table for the distribution under Section 1.417(e)-1(d)(2) of the Treasury regulations; and

(iii) the annual amount of the Single Life Annuity commencing at the same Benefit Starting Date that has the same actuarial present value as the Participant's form of benefit, computed for the distribution under Section 1.417(e)-1(d)(3) of the Treasury regulations and the applicable mortality table for the distribution under section 1.417(e)-1(d)(2) of the Treasury regulations, multiplied by 1.05.

(c) Annuity Starting Date in Plan Years Beginning in 2004 or 2005. Notwithstanding any provision of this Plan to the contrary, if the Benefit Starting Date of the Participant's form of benefit is in a Plan Year beginning in 2004 or 2005, the Actuarial Equivalence of the Single Life Annuity is equal to the annual amount of the Single Life Annuity commencing at the same Benefit Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount:

(i) the Applicable Interest Rate and the Applicable Mortality Table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and

(ii) five and one half percent (5.5%) interest rate assumption and the applicable mortality table for the distribution under section 1.417(e) 1(d)(2) of the Treasury regulations.

10.05 Benefit Restrictions Under Code Section 436: Notwithstanding any provision of this Plan to the contrary, the following benefit restrictions shall apply based on the Plan's "Adjusted Funding Target Attainment Percentage", as defined in Code Section 436(j) and herein referred to as the Plan's "AFTAP", for the Plan Year:

(a) Amendment Restrictions: If the Plan's AFTAP for a Plan Year is less than eighty percent (80%) (or, if the AFTAP for the Plan Year is 80% or more but would be less than 80%, if benefits attributable to the amendment were taken into account in determining the Plan's AFTAP), no Plan amendment which has the effect of increasing the Plan's liabilities by reason of increased in benefits, establishment of new benefits, changing the rate of benefit accruals or changing the rate at which benefits become nonforfeitable shall take effect during such Plan Year.

Notwithstanding the foregoing, such amendment restrictions shall not apply to any amendment which provides for an increase in benefits under a formula which is not based on a Participant's compensation, but only if the rate of such increase is not in excess of the contemporaneous rate of increase in average wages of Participants covered by such amendment.

(b) Accelerated Benefit Payment Restrictions: If the Plan's AFTAP for a Plan Year is less than eighty percent (80%), the following accelerated benefit payment restrictions shall apply:

(1) Partial Accelerated Payment Restrictions: If the Plan's AFTAP for a Plan Year is at least sixty percent (60%) but less than eighty percent (80%), no "prohibited payment" shall be made after the valuation date for such Plan Year to the extent the amount of the payment exceeds an amount equal to the lesser of:

(i) fifty percent (50%) of the amount of the payment that could otherwise be made without regard to this benefit restriction; or

(ii) the present value (determined under guidance prescribed by the Pension Benefit Guaranty Corporation, using the interest and mortality assumptions in Code Section 417(e)) of the maximum guarantee with respect to the Participant under Section 4022 of the Act; and

(iii) further provided that:

(A) only one "prohibited payment", meeting the requirements of subparagraphs (b)(1)(i) and (b)(1)(ii) above, may be made with respect to a Participant during any period of consecutive Plan Years when the benefit restrictions of either paragraph (b)(1) or this (b)(2) apply; and

(B) a Participant and any Beneficiary on his behalf (including an alternate payee, as defined in Code Section 414(p)(8)) shall be treated as one Participant; provided, however, that if the Participant's Accrued Benefit is allocated to such an alternate payee and one or more other persons, the unrestricted amount under paragraphs (b)(1)(i) and (b)(1)(ii) shall be allocated among such other persons in the same manner as the Accrued Benefit is allocated unless the qualified domestic relations order (as defined in Code Section 414(p)(1)(A)) with respect to the Participant or the alternate payee provides otherwise.

(2) Complete Accelerated Payment Restrictions: The following complete accelerated benefit payment restrictions shall apply in accordance with the following rules:

(i) AFTAP Less Than 60%: If the Plan's AFTAP for a Plan Year is less than sixty percent (60%), no "prohibited payment" shall be paid after the valuation date for such Plan Year.

(ii) Bankruptcy: During any period in which the Plan sponsor is a debtor in a case under Title 11, United States Code, or a similar Federal or State law, the Plan shall not pay any "prohibited payment" unless the actuary for the Plan certifies that the Plan's AFTAP is not less than one hundred percent (100%).

For purposes of this paragraph (b), a "prohibited payment" means (i) any payment in excess of the monthly amount paid under a life annuity (plus any social security

supplements described in the last sentence of Code Section 411(a)(9)), to a Participant or Beneficiary whose annuity starting date (as defined in Code Section 417(f)(2)) occurs during any period a limitation under this paragraph (b) is in effect; (ii) any payment for the purchase of an irrevocable commitment from an insurer to pay benefits; and (iii) any other payment specified by the Secretary of the Treasury. Such term shall not include the payment of a benefit which under Code Section 411(a)(11) may be immediately distributed without the consent of the Participant.

(c) Benefit Accrual Restrictions: If the Plan's AFTAP for a Plan Year is less than sixty percent (60%), benefit accruals under the Plan shall cease as of the valuation date for such Plan Year; provided, however, that with respect to a Plan Year beginning on or after October 1, 2008 and before October 1, 2009, the AFTAP used to determine whether benefit accruals shall cease shall be the AFTAP for the prior Plan Year, if greater.

(d) UCEB Restrictions: If the Plan's AFTAP for a Plan Year is less than sixty percent (60%) (or, if the AFTAP for the Plan Year is 60% or more but would be less than 60% taking into account the occurrence of any "unpredictable contingent event" during the Plan Year), no "unpredictable contingent event benefit" ("UCEB"), as defined in Code Section 436(b)(3), shall be paid.

(e) Current Year Contributions to Avoid or Terminate Benefit Limitations: The provisions of paragraphs (a), (c) and (d) shall cease to apply with respect to a Plan Year effective as of the first day of the Plan Year (or, in the case of paragraph (a), if later, the effective date of the amendment) upon payment by the Plan sponsor of a contribution (in addition to any minimum required contribution under Code Section 430) equal to an amount determined under Code Section 436(b), 436(c) or 436(e), as applicable.

(f) Exemption: A restriction under this Section shall not apply for a Plan Year (or shall cease to apply for a Plan Year) if the Plan sponsor takes such action as provided in Code Section 436 and the final regulations promulgated thereunder in order to avoid application of the restriction.

(g) Treatment of Plan as of Close of Prohibited or Cessation Period: Payments and benefit accruals, as applicable, shall resume effective as of the day following the close of the period for which any restriction of payment or accrual of benefits under paragraph (b) or (c), respectively, applies. Nothing in the preceding sentence, however, shall be construed as affecting the Plan's treatment of benefits which would have been paid or accrued but for this Section.

The limitations in this Section are intended to comply with the provisions of Code Section 436 and the final regulations promulgated thereunder. If there is any discrepancy between the provisions of this Section and the provisions of Code Section 436 and the final regulations promulgated thereunder, such discrepancy

shall be resolved in such a way as to give full effect to the provisions of the Code and such regulations. Further, this Section is intended to impose restrictions only to the extent required under Code Section 436 and shall be applied and interpreted accordingly. In the event any limitation of this Section is determined not to be required by Code Section 436 and the final regulations promulgated thereunder, such limitation shall not be applied.

ARTICLE XI

TOP-HEAVY PLAN YEARS

11.01 For purposes of this Article XI, the following definitions shall apply:

(a) "Determination Date" means for any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan Year, for the first Plan Year, the last day of that Plan Year.

(b) "Employee" means any employee of an Employer and any beneficiary of such an employee.

(c) "Employer" means the Employer and any Affiliate.

(d) "Key Employee" means, for Plan Years beginning after December 31, 2000, any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the determination date was an officer of the Employer having annual compensation greater than $160,000 (with cost of living adjustments in the manner set forth in Section 415(d) of the Code), a 5-percent owner of the employer, or a 1-percent owner of the employer having annual compensation of more than $150,000. For this purpose, annual compensation means compensation within the meaning of Section 415(c)(3) of the Code. The determination of who is a Key Employee will be made in accordance with Section 416(i)(1) of the Code and the applicable regulations and other guidance of general applicability issued thereunder.

(e) "Permissive Aggregation Group" means the Required Aggregation Group of plans plus any other plan or plans of the Employer which, when considered as a group with the Required Aggregation Group, would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Code.

(f) "Required Aggregation Group" means (1) each qualified plan of the Employer in which at least one Key Employee participates, and (2) any other qualified plan of the Employer which enables a plan described in (1) to meet the requirements of Sections 401(a)(4) or 410 of the Code.

(g) "Top-Heavy Compensation" means the first $200,000 (or such higher amount as may be prescribed pursuant to Treasury Regulations) of W-2 earnings actually paid in the Plan Year by an Employer or an Affiliate for services as an Employee. Top Heavy Compensation shall include Deemed 125 Compensation, as defined in Section 1.14 of the Plan.

(h) "Top-Heavy Ratio":

(1) If in addition to this Plan the Employer maintains one or more other defined benefit plans (including any simplified employee pension plan) and

the Employer has not maintained any defined contribution plan which during the 1-year period ending on the Determination Date has or has had account balances, the top-heavy ratio for this Plan alone or for the Required or Permissive Aggregation Group, as appropriate, is a fraction, the numerator of which is the sum of the present value of accrued benefits of all Key Employees as of the Determination Date (including any part of any accrued benefit distributed in the 1-year period ending on the Determination Date), and the denominator of which is the sum of the present value of all accrued benefits (including any part of any accrued benefit distributed in the 1-year period ending on the Determination Date), both computed in accordance with Section 416 of the Code and the regulations thereunder.

(2) If in addition to this Plan the Employer maintains one or more defined benefit plans (including any simplified employee pension plan) and the Employer maintains or has maintained one or more defined contribution plans which during the 1-year period ending on the Determination Date has or has had any account balances, the Top-Heavy Ratio for any Required or Permissive Aggregation Group, as appropriate, is a fraction, the numerator of which is the sum of the present value of accrued benefits under the aggregated defined benefit plan or plans for all Key Employees, determined in accordance with (1) above, and the sum of the account balances under the aggregated defined contribution plan or plans for all Key Employees as of the Determination Date, and the denominator of which is the sum of the present value of accrued benefits under the aggregated defined benefit plan or plans for all participants, determined in accordance with (1) above, and the sum of the account balances under the aggregated defined contribution plan or plans for all participants as of the Determination Date, all determined in accordance with Section 416 of the Code and the regulations thereunder. The account balances accrued benefits under a defined contribution plan in both the numerator and denominator of the Top Heavy Ratio are increased for any distribution of an account balance made in the 1-year period ending on the Determination Date.

(3) For purposes of (1) and (2) above, the value of account balances and the present value of accrued benefits will be determined as of the most recent Valuation Date that falls within or ends with the 12-month period ending on the Determination Date, except as provided in Section 416 of the Code and the regulations thereunder for the first and the second plan years of a defined benefit plan. The account balances and accrued benefits of a participant (x) who is not a Key Employee but who was a Key Employee in a prior year, or (y) who has not received any Top-Heavy Compensation from any Employer maintaining the Plan at any time during the 5-year period ending on the Determination Date will be disregarded. Notwithstanding the above, for Plan Years beginning after December 31, 2001, the accrued benefits and accounts of any Participant who has not performed services for the Employer during the 1-year period ending on the Determination Date will be disregarded. The calculation of the Top-Heavy Ratio,

and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Section 416 of the Code and the regulations thereunder. Deductible Employee contributions will not be taken into account for purposes of computing the Top-Heavy Ratio. When aggregating plans the value of account balances and accrued benefits will be calculated with reference to the Determination Dates that fall within the same calendar year.

The accrued benefit of a Participant other than a Key Employee shall be determined under (x) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer, or (y) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.

(4) For purposes of (1) and (2) above, in the case of a distribution from the Plan made for a reason other than severance from employment, death or Disability, "5 year period" shall be substituted for "1-year period" wherever such term is found.

(5) "Valuation Date" means the last day of a Plan Year.

11.02 If the Plan is or becomes top-heavy in any Plan Year, the provisions of Sections 11.04 through 11.05 will automatically supersede any conflicting provision of the Plan.

11.03 The Plan shall be considered top-heavy for any Plan Year if any of the following conditions exists:

(a) If the Top-Heavy Ratio for the Plan exceeds sixty percent (60%) and the Plan is not part of any Required Aggregation Group or Permissive Aggregation Group of plans.

(b) If the Plan is part of a Required Aggregation Group of plans but not part of a Permissive Aggregation Group and the Top-Heavy Ratio for the group of plans exceeds sixty percent (60%).

(c) If the Plan is part of a Required Aggregation Group of plans and part of a Permissive Aggregation Group and the Top-Heavy Ratio for the Permissive Aggregation Group exceeds sixty percent (60%).

11.04 (a) The Retirement Pension, commencing on or after the Normal Retirement Date of each individual, other than a Key Employee, who was a Participant during any Top-Heavy Plan year shall be the greater of:

(1) such Participant's Retirement Pension determined under Section 3.02; or

(2) an amount equal to two percent (2%) of such Participant's Highest Average Compensation for each of the first ten (10) years of his Top-Heavy Service; provided, however, that in the case of a Participant whose Retirement Pension Starting Date is later than his Normal Retirement Date, the amount determined under this Paragraph (2) commencing on such Retirement Pension Starting Date shall not be less than the Actuarial Equivalent of the Retirement Pension that would have been payable pursuant to this Paragraph (2) on the Participant's Normal Retirement Date

(b) For purposes of this Section 11.04:

(1) "Highest Average Compensation" means a Participant's average Top-Heavy Compensation for the five (5) consecutive years during which his aggregate Top-Heavy Compensation was highest, excluding compensation earned by such Participant:

(A) after the close of the last Top-Heavy Plan Year; or

(B) prior to January 1, 1984, except to the extent that compensation prior to January 1, 1984 is required to be taken into account so that such average is based on a five (5) year period.

(2) "Top-Heavy Service" means each Year of Service:

(A) in which ended a Plan Year which was not a Top-Heavy Plan Year; or

(B) completed in a Plan Year beginning prior to January 1, 1984.

For Plan Years beginning after December 31, 2001, for purpose of satisfying the minimum benefit requirements of Section 416(c)(1) of the Code and this Plan, in determining Years of Service, any service with Employer shall be disregarded to the extent that such service occurs during a Plan Year when the Plan benefits (within the meaning of Section 410(b) of the Code) no Key Employee or former Key Employee.

(c) In the case of a Participant who is also a Participant in a defined contribution plan maintained by an Employer or an Affiliate, the amount described in Paragraph (a) (2) shall be reduced by the actuarial equivalent, determined as of the date of the Participant's Retirement Pension Starting Date, of the Participant's account balance under such defined contribution plan derived from employer contributions (which account balance shall be deemed to include prior withdrawals made by the Participant accumulated at interest to the Participant's Retirement Pension Starting Date). For purposes of this Subsection (c), actuarial equivalence and the interest rate referred to in the

preceding sentence shall be determined using the actuarial assumptions described in Section 1.02.

11.05 (a) For any Top-Heavy Plan Year, each Participant shall be vested in his Accrued Benefit in accordance with the following schedule:

Years of Service	Nonforfeitable Percentage
Fewer than Two Years	0%
Two Years but less than Three Years	20%
Three Years but less than Four Years	40%
Four Years but less than Five Years	60%
Five or more Years	100%

(b) Any portion of a Participant's Accrued Benefit which has become vested pursuant to Subsection (1) shall remain vested after the Plan has ceased to be a Top Heavy Plan.

(c) Any Participant who has completed at least five (5) Years of Service prior to the beginning of the Plan Year in which the Plan ceased to be a Top-Heavy Plan shall continue to vest in his Accrued Benefit according to the schedule set forth in Subsection (a) after the Plan has ceased to be a Top-Heavy Plan.

ARTICLE XII

NON-ALIENABILITY

12.01 Except in the case of a qualified domestic relations order described in Section 414(p) of the Code, no benefit under this Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, charge, encumbrance, garnishment, levy or attachment; and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, charge, encumber, garnish, levy upon or attach the same shall be void; nor shall any such benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled thereto.

12.02 If any Participant or Beneficiary under this Plan becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under this Plan, the Administrative Committee may (but shall not be required to) terminate the payment of such benefit to such Participant or Beneficiary. If payment is thus terminated, the Administrative Committee shall direct the Trustee to hold or apply future payments for the benefit of such Participant, his Beneficiary, his spouse or children or other dependents, or any of them, in such manner and in such proportion as the Administrative Committee may deem proper.

12.03 Notwithstanding anything herein to the contrary, effective August 5, 1997, the provisions of this Article XII shall not apply to any offset of a Participant’s benefits provided under the Plan against an amount that the Participant is ordered or required to pay to the Plan under any of the circumstances set forth in Section 401(a)(13)(C) of the Code and Sections 206(d)(4) and 206(d)(5) of ERISA.

ARTICLE XIII

AMENDMENT OF THE PLAN

13.01 The Company shall have the right by action of the Board, at any time and from time to time, to amend in whole or in part any of the provisions of this Plan, and any such amendment shall be binding upon the Participants and their Beneficiaries, the Trustee, the Administrative Committee, any Employer, and all parties in interest; provided, however, that no such amendment shall authorize or permit any of the assets of the Trust Fund to be used for or directed to purposes other than the exclusive benefit of the Participants or their Beneficiaries. Any such amendment shall become effective as of the date specified therein.

13.02 No amendment to the Plan including a change in the actuarial basis for determining optional or early retirement benefits shall be effective to the extent that it has the effect of decreasing a Participant's Accrued Benefit. Notwithstanding the preceding sentence, a Participant's Accrued Benefit may be reduced to the extent permitted under Section 412(d)(2) of the Code. For purposes of this paragraph, a Plan amendment which has the effect of (1) eliminating or reducing an early retirement benefit or a retirement type subsidy, or (2) eliminating an optional form of benefit, with respect to benefits attributable to service before the amendment shall be treated as reducing accrued benefits. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a participant who satisfies either before or after the amendment the preamendment conditions for the subsidy. In general, a retirement-type subsidy is a subsidy that continues after retirement, but does not include a qualified disability benefit, a medical benefit, a social security supplement, a death benefit (including life insurance). Furthermore, no amendment to the Plan shall have the effect of decreasing a Participant's vested interest determined without regard to such amendment as of the later of the date such amendment is adopted, or becomes effective.

13.03 If at any time the vesting schedule set forth in Section 4.01 is amended, or the Plan is amended in any way that directly or indirectly affects the computation of the Participant's nonforfeitable percentage or if the Plan is deemed amended by an automatic change to or from a top-heavy vesting schedule, each Participant with at least three Years of Service may elect, within a reasonable period after the adoption of the amendment or change, to have the nonforfeitable percentage computed under the Plan without regard to such amendment or change. For Participants who do not have at least one Hour of Service in any Plan Year beginning after December 31, 1988, the preceding sentence shall be applied by substituting "five Years of Service" for 'three Years of Service" where such language appears. The period during which the election may be made shall commence with the date the amendment is adopted or deemed to be made and shall end on the latest of:

(i) 60 days after the amendment is adopted;

(ii) 60 days after the amendment becomes effective; or

(iii) 60 days after the Participant is issued written notice of the amendment by the Employer or the Plan Administrator.

ARTICLE XIV

TERMINATION OF THE PLAN

14.01 The Company may, by action of the Board and by appropriate notice to the Trustee, determine that it shall terminate the Plan in its entirety or withdraw from the Plan and terminate the same with respect to itself. The Company may by action of the Board at any time determine that any other Employer shall withdraw from the Plan, and any other Employer by action of its Board of Directors may determine that it shall so withdraw, and upon any such determination, the Plan, in respect of such Employer, shall be terminated.

14.02 Any termination or partial termination shall be effective as of the date specified in the resolution providing therefor, if any, and shall be binding upon the Employer, the Trustee, all Participants and Beneficiaries and all parties in interest.

14.03 Upon termination of the Plan in its entirety, each Participant shall be fully (100%) vested in his Accrued Benefit, determined as of the date of such termination. A Participant's Accrued Benefit shall be payable only from the Trust Fund, except to the extent otherwise provided in Title IV of ERISA.

14.04 In the event of a partial termination of the Plan, within the meaning of Section 411(d)(3)(A) of the Code, each affected Participant shall, insofar as required by applicable law, be fully (100%) vested in his Accrued Benefit, determined as of the date of such partial termination.

14.05 Upon termination of the Plan in its entirety or upon a partial termination of the Plan, the assets comprising the Trust Fund shall be allocated in accordance with the statutory priorities set forth in Section 4044(d)(2) of ERISA and regulations promulgated thereunder. Subject to the limitations imposed by Section 4044(d)(2) of ERISA and Section 14.06, any funds remaining after satisfaction of all liabilities to Plan Participants shall be returned to the Employer.

14.06 (a) As used in this Section 14.06:

(1) "Applicable Early Termination Date" means the tenth (10th) anniversary of the effective date of any increase in benefits under this Plan.

(2) "Predecessor Plan" means any retirement plan which (A) was maintained by a corporation or unincorporated business before it became an Employer and (B) has merged into the Plan.

(3) "Twenty-five Highest Paid Employees" means the twenty-five (25) highest paid Employees on the tenth (10th) anniversary preceding the Applicable Early Termination Date (including any such Employees) who were not then, or

were not eligible to become, Participants in the Plan), excluding any Participant whose Retirement Pension will not exceed $1,500.

(4) "Unrestricted Benefits" means benefits in the form provided under this Plan equal to the amount provided by the greatest of:

(A) employer contributions (or funds attributable thereto) under the Plan or a Predecessor Plan which would have been applied to provide the Participant's Accrued Benefit if the Plan or such Predecessor Plan, as in effect on the tenth (10th) anniversary preceding the Applicable Early Termination Date, had continued without change;

(B) $20,000; or

(C) an amount equal to the sum of (A) employer contributions (or funds attributable thereto) which would have been applied to provide the Participant's Accrued Benefit under the Plan or any Predecessor Plan if the Plan or such Predecessor Plan had terminated on the tenth (10th) anniversary preceding the Applicable Early Termination Date and (B) twenty percent (20%) of the first $50,000 of the Participant's average Compensation during the preceding five (5) years, multiplied by the number of years in respect of which the full current costs of the Plan have been met since the tenth (10th) anniversary preceding the Applicable Early Termination Date;

(D) (I) for a Participant who is not a "substantial owner" as defined in Section 4022(b)(5) of ERISA, an amount which equals the present value of the maximum benefit of such Participant described in Section 4022(b)(3)(B) of ERISA, determined on the date the Plan terminates or the Participant's Retirement Pension Starting Date, whichever is earlier and determined in accordance with regulations of the Pension Benefit Guaranty Corporation ("PBGC"), without regard to any other limitations in Section 4022 of ERISA; or

(II) for a Participant who is a "substantial owner," as defined in Section 4022(b)(5) of ERISA, the greatest of the amounts in (A), (B), (C) or an amount which equals the present value of the benefit guaranteed upon termination of the Plan for such Participant under Section 4022 of ERISA, or if the Plan has not terminated, the present value of the benefit that would be guaranteed if the Plan terminated on such Participant's Retirement Pension Starting Date, determined in accordance with regulations of the PBGC.

(b) Subject to the provisions of Section 4044 of ERISA, in the event that:

(1) the Plan is terminated in respect of an Employer at any time prior to the Applicable Early Termination Date; or

(2) the benefits of any Participant became payable (A) at any time prior to the Applicable Early Termination Date or (B) subsequent to the Applicable Early Termination Date but before the full current costs of the Plan for the period prior to the Applicable Early Termination Date have been funded, the benefits (as defined in Treasury Regulation 1.401 4(c)(2)(vi)(a)) which any of the Twenty-Five Highest Paid Employees may receive (including any Unrestricted Benefits) shall not exceed his Unrestricted Benefits at any time.

In the case of a Participant described in Subparagraph (2)(B), if on the Applicable Early Termination Date the full current costs are not met, the restrictions contained in this Section 14.06 shall continue in force until the full current costs are funded for the first time.

(c) The provisions of this Section 14.06 shall not restrict the current payment of full retirement benefits called for by this Plan to any Retired Participant or his Beneficiary while the Plan is in full effect and its full current costs have been met.

(d) If any funds are released by operation of the provisions of this Section 14.06, they shall be applied solely for the benefit of Participants and Beneficiaries other than the Twenty-five Highest Paid Employees or, if not required for the funding of benefits for such Participants and Beneficiaries, shall revert to the appropriate Employer.

(e) The restrictions contained in Subsection (b) may be exceeded for the purpose of making current Retirement Pension payments to a Retired Participant who would otherwise be subject to such restrictions if:

(1) such Retirement Pension is in the form described in Section 1.44 or 3.02, whichever is applicable, or under an Option which does not provide level pension benefits greater than those provided by the form described in Section 1.44;

(2) the Retirement Pension thus provided is supplemented, to the extent necessary to provide the full Retirement Pension in the form provided in Section 1.44 or 3.02, by current payments to such Retired Participant as installments of such Retirement Pension come due; and

(3) such supplemental payments are made at any time only if (A) the full current costs of the Plan have then been funded or (B) the aggregate of such supplemental payments for all such Retired Participants for the current year does not exceed the aggregate of the Employer contributions already made in respect of such year.

(f) If there shall be more than one Employer, the provisions of this Section 14.06 shall be applied separately in respect of each such Employer.

(g) A Participant who is one of the Twenty-five Highest Paid Employees may elect to receive his benefits under this Plan in the form of a lump sum distribution only if he agrees to deposit with an acceptable depository property having a market value equal to one hundred twenty-five percent (125%) of the difference between the amount of such distribution and the Actuarial Equivalent of his Unrestricted Benefits as security for his repayment of any benefits paid to him in excess of the maximum permitted by this Section 14.06. Additional deposits of security, in the amount necessary to increase the fair market value of such security to one hundred twenty-five percent (125%) of the difference between the amount of the distribution and the actuarial Equivalent of his Unrestricted Benefits shall be made whenever the fair market value of such security is less than one hundred ten percent (110%) of such difference.

14.07 If the Plan shall merge or consolidate with, or transfer its assets or liabilities to, any other "pension plan", as defined in Section 3(2) of ERISA, each Participant shall be entitled to receive a benefit immediately after such merger, consolidation or transfer (assuming that the Plan had then terminated) which is equal to or greater than the benefit which he would have been entitled to receive immediately before such merger, consolidation or transfer (assuming that the Plan had then terminated).

ARTICLE XV

TRUST AND ADMINISTRATION

15.01 The assets of the Trust Fund shall be held by the Trustees, who shall consist of not fewer than two (2) individuals, or a bank or trust company appointed by the Board. The Trustees shall hold office until their or its successors have been duly appointed or until death, resignation or removal.

15.02 The investment of the assets of the Plan shall be managed, except to the extent that such responsibility has been allocated or delegated, by the Trustee.

15.03 The Trustees shall act unanimously; provided, however, that if at any time there are more than two (2) Trustees acting hereunder, they shall act by majority vote and may act either by vote at a meeting or in writing without a meeting. Notwithstanding the foregoing:

(a) checks and other instruments for the payment of money and instruments relating to the purchase, sale or other disposition of securities or other property held in the Trust and checks and other instruments in payment of distributions to Participants and Beneficiaries or in payment of proper expenses under the Plan may be signed by any one Trustee or by any person or persons authorized by unanimous action of all the Trustees then acting hereunder with the same force and effect as if signed by all Trustees; and

(b) the Trustees may, by written authorization, empower one of them individually to execute any other document or documents on behalf of the Trustees, such authorization to remain in effect until revoked by any Trustee.

15.04 The Trustees may appoint such independent accountants, enrolled actuaries, legal counsel, investment advisors and other agents or specialists as they deem necessary or desirable in connection with the performance of their duties hereunder. The Trustees shall be entitled to rely conclusively upon, and shall be fully protected in any action taken by them in good faith in relying upon, any opinions or reports which are furnished to them by any such independent accountant, enrolled actuary, legal counsel, investment advisor or other specialist.

15.05 The Trustees shall serve without compensation for services as such. All expenses of the Trust shall be paid by the Trust unless paid by Employers. Such expenses shall include any expenses incidental to the operation of the Trust, including, but not limited to, fees of independent accountants, enrolled actuaries, legal counsel, investment advisors and other agents or specialists and similar costs. The Employers may make advances or extend credit to the Plan for the purpose of paying Plan benefits or expenses to the extent permitted, and in accordance with, applicable law.

15.06 The Trustees shall discharge their duties with respect to the Plan solely in the interests of the Participants and their Beneficiaries; and

(a) for the exclusive purpose of providing benefits to Participants and the Beneficiaries and defraying reasonable expenses of administering the Plan;

(b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man, acting in like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims;

(c) by diversifying the investments of the Trust Fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(d) in accordance with the documents and instruments governing the Plan, insofar as such documents and instruments are consistent with the provisions of ERISA.

15.07 (a) The Company is hereby designated as "named fiduciary" within the meaning of Section 402(a) of ERISA, with respect to the investment of the assets of the Plan and shall, except to the extent provided below, direct the investment of such assets and possess all powers which may be necessary to carry out such duty.

(b) At the direction of the Investment Committee, the Trustees may appoint an investment manager, as defined in Section 3(38) of ERISA, in which case, unless otherwise provided by ERISA, no Trustee shall be liable for the acts or omissions of such investment manager or be under any obligation to invest or otherwise manage any asset of the Trust Fund which is subject to the management of such manager.

(c) (1) The Administrative Committee and the Trustees may establish procedures for (A) the allocation of fiduciary responsibilities (other than "trustee responsibilities" as defined in Section 405(c)(3) of ERISA under the Plan among themselves, and (B) the designation of persons other than named fiduciaries to carry out fiduciary responsibilities (other than trustee responsibilities) under the Plan.

(2) If any fiduciary responsibility is allocated or if any person is designated to carry out any responsibility pursuant to Paragraph (1), no named fiduciary shall be liable for any act or omission of such person in carrying out such responsibility, except as provided in Section 405(c)(2) of ERISA.

15.08 The Trustees shall receive any contributions paid to them in cash and shall establish the Trust Fund hereunder. The Trust Fund shall be held, managed and administered in accordance with the terms of this Plan. A transaction between the Plan

and a common or collective trust fund or pooled investment fund maintained by a party in interest which is a bank or trust company supervised by a State or Federal agency, or a pooled investment fund of an insurance company qualified to do business in a State, and listed on Appendix B as amended from time to time shall be permitted in accordance with ERISA Section 408(b)(8) if the transaction is a sale or purchase of an interest in the fund, and the bank, trust company, or insurance company receives not more than reasonable compensation. All or any part of the assets of the Trust Fund may be invested in any group trust which then provides for the pooling of the assets of plans described in Section 401(a) of the Code and is exempt from tax under Section 501(a) of the Code in accordance with Revenue Ruling 81-100 and Revenue Ruling 2004-67, provided that the provisions of the document governing such group trust, as it may be amended from time to time, shall govern any investment therein and are hereby made a part of this Plan.

15.09 The Trustees shall invest and reinvest the Trust Fund and keep the Trust Fund invested, without distinction between principal and income, in such securities or other property, real or personal, foreign or domestic, wherever situated, as the Trustees shall deem advisable, including, but not limited to, the general account or a separate account of an insurance company licensed to do business in the State of New York, shares in a regulated investment company or plans for the accumulation of such shares, common or preferred stocks, bonds and mortgages, and other evidences of ownership or indebtedness. In making such investments, the Trustee shall not be restricted to securities or other property of the character authorized or required by applicable law for trust investments.

15.10 The Trustees shall have the following powers and authority in the investment of the assets of the Trust Fund:

(a) to purchase, or subscribe for, any securities (including shares in a regulated investment company or plans for the accumulation of such shares) or other property and to retain the same in trust, the Trustees being specifically authorized to limit investment, in their own discretion, to shares of regulated investment companies or to plans for the accumulation of such shares;

(b) to sell, exchange, convey, transfer or otherwise dispose of, by private contract or at public auction, any securities or other property held by them; and no person dealing with the Trustees shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(c) to vote any stocks, bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options and to make any payments incidental thereto; to oppose, consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporation securities; to pay any assessments or charges in connection with any security; to delegate any discretionary powers; and generally to exercise any of the powers of

an owner with respect to stocks, bonds, securities or other property held as part of the Trust Fund;

(d) to cause any securities or other property held as part of the Trust Fund to be registered in their own names or in the name of one or more nominees, and to hold any investments in bearer form, but the books and records of the Trustees shall at all times show that all such investments are part of the Trust Fund;

(e) to borrow or raise money for the purposes of the Plan in such amount and upon such terms and conditions as the Trustees shall deem advisable; and for any sum so borrowed, to issue their promissory note as Trustees and to secure the repayment thereof by pledging all, or any part, of the Trust Fund; and no person lending money to the Trustees shall be bound to see to the application of the money lent or to inquire into the validity, expediency or propriety of any such borrowing;

(f) to keep such portion of the Trust Fund in cash or cash balances as the Trustees may, from time to time, deem to be in the best interests of the Plan, without liability for interest thereon;

(g) to accept and retain for such time as may seem advisable any securities or other property received or acquired by them as Trustees hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

(h) to sell call options on any national securities exchange with respect to securities held in the Trust Fund, and to purchase call options for the purpose of closing out previous sales of call option;

(i) to appoint a bank or trust company as corporate Trustee, and to enter into and execute an agreement with any such corporate Trustee to provide for the investment and reinvestment of assets of the Trust Fund.

15.11 The Trustees, at the direction of the Administrative Committee, shall from time to time make payments out of the Trust Fund in accordance with the provisions of the Plan in such manner, in such amounts and for such purposes as they may determine, and when any such payment has been made, the amount thereof shall no longer constitute a part of the Trust Fund.

15.12 (a) The Trustees shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder.

(b) Within the time required by law, the Trustees shall file with the Company a written account setting forth all investments, receipts, disbursements and other transactions effected by them during such Plan Year. Except as

provided to the contrary by Section 413(a) of ERISA, upon the expiration of ninety (90) days from the date of filing of such account, the Trustees shall be forever released and discharged from all liability and accountability to anyone with respect to the propriety of their acts and transactions shown in such account, except with respect to any such acts or transactions as to which the Company shall file with the Trustees written objections within such ninety (90) day period.

(c) The filing by the Trustees with the Company of an annual report in accordance with Section 103 of ERISA shall constitute the filing of an account within the meaning of this Section.

15.13 Any Trustee may be removed by the Board at any time. A Trustee may resign at any time upon thirty (30) days' notice in writing to the Board, which notice may be waived by the Board. Upon such removal or resignation of a Trustee, or upon the death or disability of a Trustee, the Board may appoint a successor Trustee, who shall have the same powers and duties as those conferred upon the Trustees hereunder. The Board may at any time appoint one or more additional Trustees, who shall have the same powers and duties as those conferred upon the Trustees hereunder.

15.14 In any case in which any person is required or permitted to make an election under this Plan, such election shall be made in writing and filed with the Administrative Committee on the form provided by them or made in such other manner as the Administrative Committee may direct.

ARTICLE XVI

CLAIM AND APPEAL PROCEDURE

16.01 (a) Initial Claim

(i) Any claim by an Employee, Participant or Beneficiary ("Claimant") with respect to eligibility, participation, contributions, benefits or other aspects of the operation of the Plan shall be made in writing to the Administrative Committee for such purpose. An authorized representative of a Claimant may act on behalf of the Claimant in pursuing a benefit claim or any subsequent appeal of an adverse benefit determination hereunder. The Administrative Committee shall provide the Claimant with the necessary forms and make all determinations as to the right of any person to a disputed benefit. If a Claimant is denied benefits under the Plan, the Administrative Committee or its designee shall notify the Claimant in writing of the denial of the claim within ninety (90) days (or within forty-five (45) days if the claim involves a determination of a claim for disability benefits) after the Administrative Committee receives the claim, provided that in the event of special circumstances such period may be extended.

(ii) In the event of special circumstances, the maximum period in which a claim must be determined may be extended as follows:

(A) With respect to any claim, other than a claim that involves a determination of a claim for disability benefits, the ninety (90) day period may be extended for a period of up to ninety (90) days (for a total of one hundred eighty (180) days). If the initial ninety (90) day period is extended, the Administrative Committee or its designee shall notify the Claimant in writing within ninety (90) days of receipt of the claim. The written notice of extension shall indicate the special circumstances requiring the extension of time and provide the date by which the Administrative Committee expects to make a determination with respect to the claim. If the extension is required due to the Claimant's failure to submit information necessary to decide the claim, the period for making the determination shall be tolled from the date on which the extension notice is sent to the Claimant until the earlier of (i) the date on which the Claimant responds to the Administrative Committee's request for information, or (ii) expiration of the forty-five (45) day period commencing on the date that the Claimant is notified that the requested additional information must be provided.

(B) With respect to a claim that involves a determination of a claim for disability benefits, the forty-five (45) day period may be extended as follows:

(I) Initially, the forty-five (45) day period may be extended for a period to up to an additional thirty (30) days (the "Initial Disability Extension Period"), provided that the Administrative Committee determines that such an extension is necessary due to matters beyond the control of the Plan and, within forty-five (45) days of receipt of the claim, the Administrative Committee or its designee notifies the Claimant in writing of such extension, the special circumstances requiring the extension of time, the date by which the Administrative Committee expects to make a determination with respect to the claim and such information as required under clause (III) below.

(II) Following the Initial Disability Extension Period the period for determining the Claimant's claim may be extended for a period of up to an additional thirty (30) days, provided that the Administrative Committee determines that such an extension is necessary due to matters beyond the control of the Plan and within the Initial Disability Extension Period, notifies the Claimant in writing of such additional extension, the special circumstances requiring the extension of time, the date by which the Administrative Committee expects to make a determination with respect to the claim and such information as required under clause (III) below.

(III) Any notice of extension pursuant to this Paragraph (B) shall specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and the Claimant shall be afforded forty-five (45) days within which to provide the specified information.

(IV) If an extension is required due to the Claimant's failure to submit information necessary to decide the claim, the period for making the determination shall be tolled from the date on which the extension notice is sent to the Claimant until the earlier of (i) the date on which the Claimant responds to the Administrative Committee's request for information, or (ii) expiration of the forty-five (45) day period commencing on the date that the Claimant is notified that the requested additional information must be provided.

(iii) If a claim is wholly or partially denied, the notice to the Claimant shall set forth:

(A) The specific reason or reasons for the denial;

(B) Specific reference to pertinent Plan provisions upon which the denial is based;

(C) A description of any additional material or information necessary for the Claimant to complete the claim request and an explanation of why such material or information is necessary;

(D) Appropriate information as to the steps to be taken and the applicable time limits if the Claimant wishes to submit the adverse determination for review; and

(E) A statement of the Claimant's right to bring a civil action under Section 502 of ERISA following an adverse determination on review.

(iv) In addition, in the case of a disability claim that is wholly or partially denied, the notice to the Claimant shall set forth:

(A) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to the Claimant upon request; and

(B) if the denial is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.

(b) Claim Denial Review.

(i) If a claim has been wholly or partially denied, the Claimant may submit the claim for review by the Administrative Committee. Any request for review of a claim must be made in writing to the Administrative Committee no later than sixty (60) days (or within one hundred and eighty (180) days if the claim involves a determination of a claim for disability benefits) after the Claimant receives notification of denial or, if no notification was provided, the date the claim is deemed denied.

The Claimant or his duly authorized representative may:

(A) Upon request and free of charge, be provided with reasonable access to, and copies of, relevant documents, records, and other information relevant to the Claimant's claim; and

(B) Submit written comments, documents, records, and other information relating to the claim. The review of the claim determination shall take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial claim determination.

(ii) The decision of the Administrative Committee upon review shall be made within sixty (60) days (or within forty-five (45) days if the claim involves a determination of a claim for disability benefits) after receipt of the Claimant's request for review, unless special circumstances (including, without limitation, the need to hold a hearing) require an extension. In the event of special circumstances, the maximum period in which a claim must be determined may be extended as follows:

(A) With respect to any claim, other than a claim that involves a determination of a claim for disability benefits, the sixty (60) day period may be extended for a period of up to sixty (60) days.

(B) With respect to a claim that involves a determination of a claim for disability benefits, the forty-five (45) day period may be extended for a period of up to forty-five (45) days.

If the sixty (60) day period (or forty-five (45) day period where the claim involves a determination of a claim for disability benefits) is extended, the Administrative Committee or its designee shall, within sixty (60) days (or within forty-five (45) days if the claim involves a determination of a claim for disability benefits) of receipt of the claim for review, notify the Claimant in writing. The written notice of extension shall indicate the special circumstances requiring the extension of time and provide the date by which the Administrative Committee expects to make a determination with respect to the claim upon review. If the extension is required due to the Claimant's failure to submit information necessary to decide the claim, the period for making the determination shall be tolled from the date on which the extension notice is sent to the Claimant until the earlier of (i) the date on which the Claimant responds to the Administrative Committee's request for information, or (ii) expiration of the forty-five (45) day period commencing on the date that the Claimant is notified that the requested additional information must be provided.

(iii) Reserved.

(iv) The Administrative Committee, in its sole discretion, may hold a hearing regarding the claim and request that the Claimant attend. If a hearing is held, the Claimant shall be entitled to be represented by counsel.

(v) The Administrative Committee's decision upon review on the Claimant's claim shall be communicated to the Claimant in writing. If the claim upon review is denied, the notice to the Claimant shall set forth:

(A) The specific reason or reasons for the decision, with references to the specific Plan provisions on which the determination is based;

(B) A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim; and

(C) A statement of the Claimant's right to bring a civil action under Section 502 of ERISA.

(D) In addition, in the case of a disability claim that is wholly or partially denied, the notice to the Claimant shall set forth:

(I) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other similar criterion will be provided free of charge to the Claimant upon request; and

(II) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.

(vi) Any review of a claim involving a determination of a claim for disability benefits shall not afford deference to the initial adverse benefit determination and shall not be determined by any individual who made the initial adverse benefit determination or a subordinate of such individual. In deciding a review of any adverse benefit determination that is based in whole or in part on a medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, the Administrative Committee shall consult with a

health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment.

(c) All interpretations, determinations and decisions of the Administrative Committee with respect to any claim, including without limitation the appeal of any claim, shall be made by the Administrative Committee, in its sole discretion, based on the Plan and comments, documents, records, and other information presented to it, and shall be final, conclusive and binding.

(d) The claims procedures set forth in this Section are intended to comply with U.S. Department of Labor Regulation § 2560.503-1 and should be construed in accordance with such regulation. In no event shall it be interpreted as expanding the rights of Claimants beyond what is required by Department of Labor Regulation § 2560.503-1.

(e) No legal or equitable action for benefits under the Plan, to enforce the Claimant's rights under the Plan, or to clarify the Claimant's right to future benefits under the Plan may be brought unless and until the Claimant has followed the claims and appeal procedures that are described in this Section 16.01 and the benefits requested by the Claimant have been denied in whole or in part, or there is any other adverse benefit determination.

In addition, no legal or equitable action for benefits under the Plan, to enforce the Claimant's rights under the Plan, to clarify the Claimant's rights to future benefits under the Plan, or against the Plan Administrator or any other Plan fiduciary may be brought more than one (1) year following the earlier of: (i) the date that such one-year limitations period would commence under applicable law, (ii) the date upon which the Claimant knew or should have known that the Claimant did not receive an amount due under the Plan, and (iii) the date on which the Claimant fully exhausted the Plan's administrative remedies. All lawsuits commenced after such period shall be deemed to have been waived by the Claimant and shall thereafter be wholly unenforceable. Nothing in this paragraph shall be construed to extend any otherwise applicable statute of limitations period set forth under ERISA or any under any other applicable law.

ARTICLE XVII

MISCELLANEOUS

17.01 If any provision of this Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of this Plan, but such illegal or invalid provision shall be deemed modified to the extent necessary to conform to applicable law and carry out the purposes of this Plan, or, if such modification is impossible, the Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

17.02 The Plan shall be governed, construed and enforced in accordance with the laws of the State of New York (without reference to its Conflict of Laws provisions), except to the extent preempted by ERISA, the Code, or other federal law, and subject to the applicable provisions of the laws of the United States of America.

17.03 Wherever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and vice versa, and wherever any words are used herein in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply, and vice versa.

17.04 The adoption and maintenance of this Plan shall not be deemed to constitute a contract between any Employer and any person or to be a consideration for the employment of any person. Nothing contained herein shall be deemed to give any person the right to be retained in the employ of any Employer or to derogate from the right of any Employer or discharge any person at any time without regard to the effect of such discharge upon the rights of such person as a Participant in this Plan.

17.05 Except as otherwise provided by ERISA, no liability shall attach to any Employer for payment of any benefits or claims hereunder, and all participants and Beneficiaries, and all persons claiming under or through them, shall have recourse only to the Trust Fund for payment of any benefit hereunder.

17.06 Nothing in this Plan, express or implied, is intended, or shall be construed, to confer upon or give to any person, firm, association or corporation, other than the parties hereto and their successors in interest, any right, remedy or claim under or by reason of this Plan or any covenants, condition or stipulation hereof, and all covenants, conditions and stipulations in this plan, by or on behalf of any party, shall be for the sole and exclusive benefit of the parties hereto.

(a) Any contribution to the Plan made by an Employer by a mistake in fact may be returned to such Employer at the direction of the Administrative Committee within one (1) year after the date of the payment of such contribution.

(b) Each contribution made to this Plan by an Employer is conditioned upon its deductibility under Section 404 of the Code. If the deduction is disallowed, such contribution shall, to the extent disallowed as a deduction, be returned to such Employer within one (1) year following the date of disallowance.

(c) This Plan is established for the exclusive benefit of the Participants herein and their Beneficiaries. Except as provided in Section 14.05 and this Section 17.06, it shall be impossible for any assets of the Trust to revert to any Employer prior to the satisfaction of all liabilities hereunder with respect to all Participants and their Beneficiaries.

ARTICLE XVIII

ADMINISTRATION OF THE PLAN

18.01 Administrative Committee. There is hereby created an Administrative Committee for the Plan. The general administration of the Plan on behalf of the Plan Administrator shall be placed in the Administrative Committee.

18.02 Investment Committee. There is hereby created an Investment Committee for the Plan, which shall oversee the investment of the assets of the Trust Fund subject to ERISA.

18.03 Payment of Benefits (Administrative Committee). The Administrative Committee shall advise the Trustee in writing with respect to all benefits which become payable under the terms of the Plan and shall direct the Trustee to pay such benefits on order of the Administrative Committee. In the event that the Trust Fund shall be invested in whole or in part in one or more insurance contracts, the Administrative Committee shall be authorized to give to any insurance company issuing such a contract such instructions as may be necessary or appropriate in order to provide for the payment of benefits in accordance with the Plan.

18.04 Powers and Authority; Action Conclusive (Administrative Committee). Except as otherwise expressly provided in the Plan or in the Trust Agreement, or by the Investment Committee, the Administrative Committee shall have the exclusive right, power, and authority, in its sole and absolute discretion, to administer, apply and interpret the Plan, Trust Agreement and any other Plan documents and to decide all matters arising in connection with the operation or administration of the Plan and the Trust. Subject to the immediately preceding sentence, the Administrative Committee shall have all powers necessary or helpful for the carrying out of its responsibilities, and the decisions or action of the Administrative Committee in good faith in respect of any matter hereunder shall be conclusive and binding upon all parties concerned.

Without limiting the generality of the foregoing, the Administrative Committee has the complete authority, in its sole and absolute discretion, to:

(a) Determine all questions arising out of or in connection with the interpretation of the terms and provisions of the Plan except as otherwise expressly provided herein;

(b) Make rules and regulations for the administration of the Plan which are not inconsistent with the terms and provisions of the Plan, and fix the annual accounting period of the trust established under the Trust Agreement as required for tax purposes;

(c) Construe all terms, provisions, conditions of and limitations to the Plan;

(d) Determine all questions relating to (A) the eligibility of persons to receive benefits hereunder, (B) the periods of service, including Hours of Service, Credited Service and Years of Service, and the amount of Compensation of a Participant during any period hereunder, and (C) all other matters upon which the benefits or other rights of a Participant or other person shall be based hereunder; and

(e) Determine all questions relating to the administration of the Plan (A) when disputes arise between the Employer and a Participant or his Beneficiary, Spouse or legal representatives, and (B) whenever the Administrative Committee deems it advisable to determine such questions in order to promote the uniform administration of the Plan.

The Administrative Committee may recoup on behalf of the Plan any payment made in error by the Plan to any person, and any such amount will be returned to the Plan.

All determinations made by the Administrative Committee with respect to any matter arising under the Plan Trust Agreement and any other Plan documents shall be final and binding on all parties. The foregoing list of powers is not intended to be either complete or exclusive and the Administrative Committee shall, in addition, have such powers as the Plan Administrator deems appropriate and delegates to it and such powers as may be necessary for the performance of its duties under the Plan and the Trust Agreement.

18.05 Reliance on Information (Administrative Committee). The members of the Administrative Committee and any Employer or affiliate thereof (including the Company) and its officers, directors and employees shall be entitled to rely upon all tables, valuations, certificates, opinions and reports furnished by any accountant, trustee, insurance company, counsel or other expert who shall be engaged by the Company or an affiliate thereof or the Administrative Committee, and the members of the Administrative Committee and any Employer or affiliate thereof (including the Company) and its officers, directors and employees shall be fully protected in respect of any action taken or suffered by them in good faith in reliance thereon, and all action so taken or suffered shall be conclusive upon all persons affected thereby.

18.06 Actions to be Uniform; Regular Personnel Policies to be Followed. Any discretionary actions to be taken under this Plan by the Administrative Committee or Investment Committee with respect to the classification of the Employees, contributions, or benefits shall be uniform in their nature and applicable to all Employees similarly situated. With respect to service with the Employer, leaves of absence and other similar matters, the Administrative Committee shall administer the Plan in accordance with the Employer's regular personnel policies at the time in effect.

18.07 Fiduciaries. Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan. Any Named Fiduciary under the Plan, and any fiduciary designated by a Named Fiduciary to whom such power is granted by a

Named Fiduciary under the Plan, may employ one or more persons to render advice with regard to any responsibility such fiduciary has under the Plan.

18.08 Plan Administrator. The Company shall be the administrator of the Plan, as defined in Section 3(16)(A) of ERISA and shall be responsible for the preparation and filing of any required returns, reports, statements or other filings with appropriate governmental agencies. The Company or its authorized designee shall also be responsible for the preparation and delivery of information to persons entitled to such information under any applicable law.

18.09 Notices and Elections (Administrative Committee). A Participant shall deliver to the Administrative Committee all directions, orders, designations, notices or other communications on appropriate forms to be furnished by the Administrative Committee. The Administrative Committee shall also receive notices or other communications directed to Participants from the Trustee and transmit them to the Participants. All elections which may be made by a Participant under this Plan shall be made in a time, manner and form determined by the Administrative Committee unless a specific time, manner or form is set forth in the Plan.

18.10 Misrepresentation of Age. In making a determination or calculation based upon a Participant's age, the Administrative Committee shall be entitled to rely upon any information furnished by the Participant. If a Participant misrepresents the Participant's age, and the misrepresentation is relied upon by a Member Company, an affiliate thereof (including the Company) or the Administrative Committee, the Administrative Committee will adjust the Participant's Accrued Benefit to conform to the Participant's actual age and offset future monthly payments to recoup any overpayments caused by the Participant's misrepresentation.

18.11 Decisions of Administrative Committee are Binding. Notwithstanding anything in the Plan to the contrary, the Administrative Committee shall have discretionary and final authority to (a) determine all questions concerning eligibility, elections, contributions and benefits under the Plan, (b) construe all terms of the Plan, including any uncertain terms, and (c) determine all questions concerning Plan administration. The Administrative Committee also has discretion and authority to interpret Plan terms to reflect the Plan Sponsor's intent. In the event of a scrivener's error that renders a Plan term inconsistent with the Plan Sponsor's intent, the Plan Sponsor's intent controls, and any inconsistent Plan term is made expressly subject to this requirement. In carrying out its functions under the Plan, the Administrative Committee shall endeavor to act by general rules so as to administer the Plan in a uniform and nondiscriminatory manner as to all persons similarly situated. The Administrative Committee has the authority to review objective evidence to conform the Plan term to be consistent with the Plan Sponsor's intent. Any determination made by the Administrator shall be given deference in the event it is subject to judicial review and shall be overturned only if it is arbitrary and capricious.

18.12 Spouse's Consent. In addition to when such consent is expressly required by the terms of this Plan, the Administrative Committee may in its sole discretion also require the written consent of the Employee's Spouse to any other election or revocation of election made under this Plan before such election or revocation shall be effective.

18.13 Accounts and Records. The Administrative Committee and Investment Committee shall maintain such accounts and records regarding the fiscal and other transactions of the Plan and such other data as may be required to carry out its functions under the Plan and to comply with all applicable laws. The Administrative Committee shall report annually to the Board on the performance of its responsibilities and on the performance of any trustee or other persons to whom any of its powers and responsibilities may have been delegated and on the administrative operation of the Plan for the preceding year. The Investment Committee shall report annually to the Board on the performance of its responsibilities and on the performance of any trustee, investment manager, insurance carrier or persons to whom any of its powers and responsibilities may have been delegated and on the financial condition of the Plan for the preceding year.

18.14 Forms. To the extent that the form or method prescribed by the Administrative Committee to be used in the operation and administration of the Plan does not conflict with the terms and provisions of the Plan, such form shall be evidence of (a) the Administrative Committee's interpretation, construction and administration of this Plan and (b) decisions or rules made by the Administrative Committee pursuant to the authority granted to the Administrative Committee under the Plan.

18.15 Liability and Indemnification. The functions of the Trustees, Administrative Committee, the Investment Committee, the Board, and the Employer under the Plan are fiduciary in nature and each shall be carried out solely in the interest of the Participants and other persons entitled to benefits under the Plan for the exclusive purpose of providing the benefits under the Plan (and for the defraying of reasonable expenses of administering the Plan). The Administrative Committee, the Investment Committee, the Board, and the Employer shall carry out their respective functions in accordance with the terms of the Plan with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. No member of the Administrative Committee or Investment Committee and no officer, director, or employee of the Employer shall be liable for any action or inaction with respect to his functions under the Plan unless such action or inaction is adjudicated to be a breach of the fiduciary standard of conduct set forth above.

The Company shall indemnify and hold harmless any person who, by virtue of membership on the Board, Administrative Committee, Investment Committee or any other committee or by virtue of such person's status as a director, officer or employee of the Employer, is deemed or held to be a fiduciary of the Plan within the meaning of the Act, to the extent not covered by the Company's insurance, against any and all claims, loss, damages, expenses, including legal fees and other expenses of litigation and liability

arising from any action or failure to act, provided that such act or failure to act is not judicially determined to be due to the gross negligence or willful misconduct of such person, except that the Company may, in its sole discretion, elect not to enforce this provision in a case of gross negligence or willful misconduct. Further, no member of the Administrative Committee or Investment Committee shall be personally liable merely by virtue of any instrument executed by him or on his behalf as a member of the Administrative Committee or Investment Committee. The Company may secure and maintain in full force and effect such insurance as may be reasonably available on behalf of the persons described in this Section 18.15, to cover liability or losses from which the Company is obligated to indemnify such persons. The amount and conditions of such insurance shall be determined by the Company in its sole discretion.

18.16 Overpayments

(a) Obligation to Pay Excess Amounts: By accepting benefits under the Plan, Participants and Beneficiaries agree that in the event such individual receives any payment from the Plan in excess of the amount which such individual is entitled to receive under the Plan (including, without limitation, due to mistake of fact or law, reliance on false or fraudulent statements, information or proof submitted by a claimant, or continuation of payments after the death of a Participant or a Beneficiary) ("Excess Payments"), a Participant, or if applicable, Beneficiary, shall be obligated to repay such Excess Payments to the Plan upon receipt of a written notice by the Administrative Committee (or any other designee duly authorized by the Administrative Committee) requesting such repayment.

(b) Recovery by Plan: The Administrative Committee shall have full authority, in its sole discretion, to recover the amount of any Excess Payments (plus interest, attorney's fees and costs) paid by the Plan to or on behalf of any Participant or Beneficiary. Such authority shall include, but shall not be limited to, the right to:

(1) seek the Excess Payment in a lump sum from such individual;

(2) reduce future benefits payable to the individual who received the overpayment;

(3) reduce future benefits payable to a Beneficiary who is, or may become, entitled to receive payments under the Plan; and

(4) initiate legal action or take such other legal action as may be necessary or appropriate to recover any overpayment (plus interest, attorney's fees and costs).

APPENDIX A

REQUIRED MINIMUM DISTRIBUTION RULES

Section 1. General Rules

1.1. *Effective Date*. The provisions of this Appendix will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

1.2. *Scope.* This Appendix A describes the required distribution rules for Participants who have reached their Required Beginning Date, as those terms are defined in the Plan, as well as the incidental death benefit requirements. The terms of this Appendix A shall apply solely to the extent required under Section 401(a)(9) of the Code and shall be null and void to the extent that they are not required under Section 401(a)(9) of the Code. This Appendix A is not intended to defer the timing of a distribution beyond the date otherwise required under the Plan or to create any benefits (including but not limited to death benefits) or distribution forms that are not otherwise offered under the Plan. Any capitalized terms not otherwise defined in this Appendix A have the meaning given those terms in the Plan.

1.3. *Precedence*. The requirements of this Appendix A will take precedence over any inconsistent provisions of the Plan.

1.4. *Requirements of Treasury Regulations Incorporated.* All distributions required under this Appendix A will be determined and made in accordance with the Treasury Regulations under Section 401(a)(9) of the Internal Revenue Code.

1.5. *TEFRA Section 242(b)(2) Elections*. Notwithstanding the other provisions of this Appendix A, other than Section 1.4, distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and any provisions of the Plan that relate to Section 242(b)(2) of TEFRA.

Section 2. Time and Manner of Distribution.

2.1. *Required Beginning Date*. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

2.2. *Death of Participant Before Distributions Begin*. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(a) If the Participant's surviving Spouse is the Participant's sole designated beneficiary, then distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in

which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

(b) If the Participant's surviving Spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(c) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(d) If the Participant's surviving Spouse is the Participant's sole designated beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this Section 2.2, other than Section 2.2(a), will apply as if the surviving Spouse were the Participant.

For purposes of this Section 2.2 and Section 5, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section 2.2(d) applies, the date distributions are required to begin to the surviving Spouse under Section 2.2(a)). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section 2.2(a)), the date distributions are considered to begin is the date distributions actually commence.

2.3. *Form of Distribution*. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with Sections 3, 4, and 5 of this Appendix A. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury Regulations. Any part of the Participant's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury Regulations that apply to individual accounts.

Section 3. Determination of Amount to be Distributed Each Year.

3.1. *General Annuity Requirements*. If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

(a) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;

(b) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 4 or Section 5;

(c) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;

(d) payments will either be nonincreasing or increase only as follows:

(1) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;

(2) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period described in Section 4 dies or is no longer the Participant's Beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p);

(3) to provide cash refunds of employee contributions upon the Participant's death; or

(4) to pay increased benefits that result from a plan amendment.

3.2. *Amount Required to be Distributed by Required Beginning Date*. The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 2.2(a) or 2.2(b)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.

3.3. *Additional Accruals After First Distribution Calendar Year*. Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

Section 4. Requirements For Annuity Distributions That Commence During Participant's Lifetime.

4.1. *Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse.* If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse Beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the designated beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of Section 1.401(a)(9)-6T of the Treasury Regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

4.2. *Period Certain Annuities*. Unless the Participant's Spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's Spouse is the Participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section 4.2, or the joint life and last survivor expectancy of the Participant and the Participant's Spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the calendar year that contains the annuity starting date.

Section 5. Requirements For Minimum Distributions Where Participant Dies Before Date Distributions Begin.

5.1. *Participant Survived by Designated Beneficiary.* If the Participant dies before the date distribution of his or her interest begins and there is a designated beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in Section 2.2(a) or 2.2(b), over the life of the designated beneficiary or over a period certain not exceeding:

(a) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or

(b) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year that contains the annuity starting date.

5.2. *No Designated Beneficiary.* If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

5.3. *Death of Surviving Spouse Before Distributions to Surviving Spouse Begin.* If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving Spouse is the Participant's sole designated beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section 4 will apply as if the surviving Spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section 2.2(a).

Section 6. Definitions.

6.1. *Designated beneficiary*. The individual who is designated as the Beneficiary under Section 1.09 of the Plan and is the designated beneficiary under Section 401(a)(9) of the Internal Revenue Code and Section 1.401(a)(9) of the Treasury Regulations.

6.2. *Distribution calendar year*. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 2.2.

6.3. *Life expectancy*. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.

6.4. *Required Beginning Date*. The date specified in Section 1.47 of the Plan.

APPENDIX B

COMMON OR COLLECTIVE TRUST FUNDS OR POOLED INVESTMENT FUNDS

Delaware Business Trust – Bernstein Emerging Markets Value Series
Delaware Business Trust – Tax-Managed International Blend Series

Guidelines for Transfer of AllianceBernstein L.P. Units

No transfer of ownership of the units of AllianceBernstein L.P. (the private partnership) is permitted without prior approval of AllianceBernstein and AXA Equitable Life Insurance Company ("AXA Equitable").

Under the terms of the Transfer Program, transfers of ownership will be considered once every calendar quarter.

To sell your Units to a third party:

- You must first identify the buyer for your Units. AllianceBernstein cannot maintain a list of prospective buyers.
- The unitholder and the prospective buyer must submit a request for transfer of ownership of the Units and obtain approval of AllianceBernstein and AXA Equitable for the transaction.
- Documentation required for consideration of approval includes:
  - Unit Certificate(s)
  - Executed "Stock" Power Form, with guaranteed signature
  - Letter from Seller
  - Letter from Purchaser

To have private Units re-registered to your name if they have been left to you by a deceased party:

- The beneficiary must obtain approval of AllianceBernstein and AXA Equitable for the transfer of units.
- Documentation required for consideration of approval includes:
  - Unit Certificate(s)
  - Executed "Stock" Power Form, with guaranteed signature
  - Copy of death certificate
  - Required Inheritance Tax Waiver for applicable states
- Additional required documentation (which varies by state) should be verified with AllianceBernstein's transfer agent, Computershare, at 866-737-9896 and www.computershare.com/investor.

To donate the Units:

- The donor must obtain approval of AllianceBernstein and AXA Equitable for the transfer of units.
- Documentation required for consideration of approval includes:
  - Unit Certificate(s)
  - Executed "Stock" Power Form, with guaranteed signature
  - Letter from Transferee
- Additional required documentation should be verified with AllianceBernstein's transfer agent, Computershare, at 866-737-9896 and www.computershare.com/investor.

To re-register your certificate to reflect a legal change of name or change in custodian:

- The unitholder must obtain approval of AllianceBernstein and AXA Equitable for the change of name/registration on the unit certificate.
- Documentation required for consideration of approval includes:
  - Unit Certificate(s)
  - Executed "Stock" Power Form, with guaranteed signature
  - Specific instruction letter indicating the manner in which the new unit certificate should be registered
- Additional required documentation should be verified with AllianceBernstein's transfer agent, Computershare, at 866-737-9896 and www.computershare.com/investor.

Once AllianceBernstein and AXA Equitable approve the transfer request, AllianceBernstein will inform you of the approval and begin processing the transfer.

You should not begin to prepare necessary documentation until you have contacted:

David Lesser
Legal and Compliance Department – Transfer Program
AllianceBernstein L.P.
1345 Avenue of the Americas
New York, NY 10105
Phone: (212) 969-1429
Email: david.lesser@abglobal.com

Commercial Paper Dealer Agreement
4(a)(2) Program

Between:

AllianceBernstein L.P., as Issuer, and

Citigroup Global Markets Inc., as Dealer

Concerning Notes to be issued pursuant to the Amended and Restated Issuing and Paying Agency Agreement dated as of May 3, 2006 between the Issuer and Deutsche Bank National Trust Company, as Issuing and Paying Agent

Dated as of June 1, 2015

Commercial Paper Dealer Agreement
4(a)(2) Program

This agreement (the "Agreement") sets forth the understandings between the Issuer and the Dealer, each named on the cover page hereof, in connection with the issuance and sale by the Issuer of its short-term promissory notes (the "Notes") through the Dealer. Certain terms used in this Agreement are defined in Section 6 hereof. As between the Issuer and the Dealer, this Agreement amends and restates the Amended and Restated Dealer Agreement, dated as of October 31, 2011, among the Issuer, the Dealer and the other parties named therein.

The Addendum to this Agreement, and any Annexes or Exhibits described in this Agreement or such Addendum, are hereby incorporated into this Agreement and made fully a part hereof.

1. Offers, Sales and Resales of Notes.

1.1 While (i) the Issuer has and shall have no obligation to sell the Notes to the Dealer or to permit the Dealer to arrange any sale of the Notes for the account of the Issuer, and (ii) the Dealer has and shall have no obligation to purchase the Notes from the Issuer or to arrange any sale of the Notes for the account of the Issuer, the parties hereto agree that in any case where the Dealer purchases Notes from the Issuer, or arranges for the sale of Notes by the Issuer, such Notes will be purchased or sold by the Dealer in reliance on the representations, warranties, covenants and agreements of the Issuer contained herein or made pursuant hereto and on the terms and conditions and in the manner provided herein.

1.2 So long as this Agreement shall remain in effect, and in addition to the limitations contained in Section 1.7 hereof, the Issuer shall not, without the consent of the Dealer, offer, solicit or accept offers to purchase, or sell, any Notes except (a) in transactions with one or more dealers which may from time to time after the date hereof become dealers with respect to the Notes by executing with the Issuer one or more agreements which contain provisions substantially identical to those contained in Section 1 of this Agreement, of which the Issuer hereby undertakes to provide the Dealer prompt notice or (b) in transactions with the other dealers listed on the Addendum hereto, which are executing agreements with the Issuer which contain provisions substantially identical to Section 1 of this Agreement contemporaneously herewith. In no event shall the Issuer offer, solicit or accept offers to purchase, or sell, any Notes directly on its own behalf in transactions with persons other than broker-dealers as specifically permitted in this Section 1.2.

1.3 The Notes shall be in a minimum denomination of $250,000 or integral multiples of $1,000 in excess thereof, will bear such interest rates, if interest bearing, or will be sold at such discount from their face amounts, as shall be agreed upon by the Dealer and the Issuer, shall have a maturity not exceeding 270 days from the date of issuance and may have such terms as are specified in Exhibit C hereto, the

Private Placement Memorandum, a pricing supplement, or as otherwise agreed upon by the applicable purchaser and the Issuer. The Notes shall not contain any provision for extension, renewal or automatic "rollover."

1.4 The authentication and issuance of, and payment for, the Notes shall be effected in accordance with the Issuing and Paying Agency Agreement, and the Notes shall be either individual physical certificates or book-entry notes evidenced by one or more master notes (each, a "Master Note") registered in the name of The Depository Trust Company ("DTC") or its nominee, in the form or forms delivered to the Dealer pursuant to Section 3.6 of this Agreement.

1.5 If the Issuer and the Dealer shall agree on the terms of the purchase of any Note by the Dealer or the sale of any Note arranged by the Dealer (including, but not limited to, agreement with respect to the date of issue, purchase price, principal amount, maturity and interest rate or interest rate index and margin (in the case of interest-bearing Notes) or discount thereof (in the case of Notes issued on a discount basis), and appropriate compensation for the Dealer's services hereunder) pursuant to this Agreement, the Issuer shall cause such Note to be issued and delivered in accordance with the terms of the Issuing and Paying Agency Agreement and payment for such Note shall be made by the purchaser thereof, either directly or through the Dealer, to the Issuing and Paying Agent, for the account of the Issuer. Except as otherwise agreed, in the event that the Dealer is acting as an agent and a purchaser shall either fail to accept delivery of or make payment for a Note on the date fixed for settlement, the Dealer shall promptly notify the Issuer, and if the Dealer has theretofore paid the Issuer for the Note, the Issuer will promptly return such funds to the Dealer against its return of the Note to the Issuer, in the case of a certificated Note, and upon notice of such failure in the case of a book-entry Note. If such failure occurred for any reason other than default by the Dealer, the Issuer shall reimburse the Dealer on an equitable basis for the Dealer's loss of the use of such funds for the period such funds were credited to the Issuer's account.

1.6 The Dealer and the Issuer hereby establish and agree to observe the following procedures in connection with offers, sales and subsequent resales or other transfers of the Notes:

(a) Offers and sales of the Notes by or through the Dealer shall be made only to: (i) investors reasonably believed by the Dealer to be Qualified Institutional Buyers or Institutional Accredited Investors and (ii) non-bank fiduciaries or agents that will be purchasing Notes for one or more accounts, each of which is reasonably believed by the Dealer to be an Institutional Accredited Investor.

(b) Resales and other transfers of the Notes by the holders thereof shall be made only in accordance with the restrictions in the legend described in clause (e) below.

(c) No general solicitation or general advertising shall be used in connection with the offering of the Notes. Without limiting the generality of the foregoing, without the prior written approval of the other party hereto, neither party shall issue any press release, make any other statement to any member of the press making reference to the Notes, the offer or sale of the Notes or this Agreement or place or publish any “tombstone” or other advertisement relating to the Notes or the offer or sale thereof. To the extent permitted by applicable securities laws, the Issuer shall (i) omit the name of the Dealer from any publicly available filing by the Issuer that makes reference to the Notes, the offer or sale of the Notes or this Agreement, (ii) not include a copy of this Agreement in any such filing or as an exhibit thereto, and (iii) shall redact the Dealer’s name and any contact or other information that could identify the Dealer from any agreement or other information included in such filing.

(d) No sale of Notes to any one purchaser shall be for less than $250,000 principal or face amount, and no Note shall be issued in a smaller principal or face amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom such purchaser is acting must purchase at least $250,000 principal or face amount of Notes.

(e) Offers and sales of the Notes shall be subject to the restrictions described in the legend appearing on Exhibit A hereto. A legend substantially to the effect of such Exhibit A shall appear as part of the Private Placement Memorandum used in connection with offers and sales of Notes hereunder, as well as on each individual certificate representing a Note and each Master Note representing book-entry Notes offered and sold pursuant to this Agreement.

(f) The Dealer shall furnish or shall have furnished to each purchaser of Notes for which it has acted as the Dealer a copy of the then-current Private Placement Memorandum unless such purchaser has previously received a copy of the Private Placement Memorandum as then in effect. The Private Placement Memorandum shall expressly state that any person to whom Notes are offered shall have an opportunity to ask questions of, and receive information from, the Issuer and the Dealer and shall provide the names, addresses and telephone numbers of the persons from whom information regarding the Issuer may be obtained.

(g) The Issuer agrees, for the benefit of the Dealer and each of the holders and prospective purchasers from time to time of the Notes that, if at any time the Issuer shall not be subject to Section 13 or 15(d) of the Exchange Act, the Issuer will furnish, upon request and at its expense, to the Dealer and to holders and prospective purchasers of Notes information required by Rule 144A(d)(4)(i) in compliance with Rule 144A(d).

(h) In the event that any Note offered or to be offered by the Dealer would be ineligible for resale under Rule 144A, the Issuer shall immediately notify the Dealer (by telephone, confirmed in writing) of such fact and shall promptly

prepare and deliver to the Dealer an amendment or supplement to the Private Placement Memorandum describing the Notes that are ineligible, the reason for such ineligibility and any other relevant information relating thereto.

(i) The Issuer represents that it is not currently issuing commercial paper in the United States market in reliance upon the exemption provided by Section 3(a)(3) of the Securities Act. The Issuer agrees that, if it shall issue commercial paper after the date hereof in reliance upon such exemption (a) the proceeds from the sale of the Notes will be segregated from the proceeds of the sale of any such commercial paper by being placed in a separate account; (b) the Issuer will institute appropriate corporate procedures to ensure that the offers and sales of notes issued by the Issuer pursuant to the Section 3(a)(3) exemption are not integrated with offerings and sales of Notes hereunder; and (c) the Issuer will comply with each of the requirements of Section 3(a)(3) of the Securities Act in selling commercial paper or other short-term debt securities other than the Notes in the United States.

1.7 The Issuer hereby represents and warrants to the Dealer, in connection with offers, sales and resales of Notes, as follows:

(a) The Issuer hereby confirms to the Dealer that (except as permitted by Section 1.6(i)) within the preceding six months neither the Issuer nor any person other than the Dealer, the other dealers referred to in Section 1.2 hereof or Deutsche Bank Securities Inc. acting on behalf of the Issuer has offered or sold any Notes, or any substantially similar security of the Issuer, to, or solicited offers to buy any such security from, any person other than the Dealer or the other dealers referred to in Section 1.2 hereof. The Issuer also agrees that (except as permitted by Section 1.6(i)), as long as the Notes are being offered for sale by the Dealer and the other dealers referred to in Section 1.2 hereof as contemplated hereby and until at least six months after the offer of Notes hereunder has been terminated, neither the Issuer nor any person other than the Dealer or the other dealers referred to in Section 1.2 hereof (except as contemplated by Section 1.2 hereof) will offer the Notes or any substantially similar security of the Issuer for sale to, or solicit offers to buy any such security from, any person other than the Dealer or the other dealers referred to in Section 1.2 hereof, it being understood that such agreement is made with a view to bringing the offer and sale of the Notes within the exemption provided by Section 4(a)(2) of the Securities Act and shall survive any termination of this Agreement. The Issuer hereby represents and warrants that it has not taken or omitted to take, and will not take or omit to take, any action that would cause the offering and sale of Notes hereunder to be integrated with any other offering of securities, whether such offering is made by the Issuer or some other party or parties.

(b) The Issuer represents and agrees that the proceeds of the sale of the Notes are not currently contemplated to be used for the purpose of buying, carrying or

trading securities within the meaning of Regulation T and the interpretations thereunder by the Board of Governors of the Federal Reserve System. In the event that the Issuer determines to use such proceeds for the purpose of buying, carrying or trading securities, whether in connection with an acquisition of another company or otherwise, the Issuer shall give the Dealer at least five Business Days' prior written notice to that effect. The Issuer shall also give the Dealer prompt notice of the actual date that it commences to purchase securities with the proceeds of the Notes. Thereafter, in the event that the Dealer purchases Notes as principal and does not resell such Notes on the day of such purchase, to the extent necessary to comply with Regulation T and the interpretations thereunder, the Dealer will sell such Notes either (i) only to offerees it reasonably believes to be Qualified Institutional Buyers or to Qualified Institutional Buyers it reasonably believes are acting for other Qualified Institutional Buyers, in each case in accordance with Rule 144A or (ii) in a manner which would not cause a violation of Regulation T and the interpretations thereunder.

2. Representations and Warranties of Issuer.

The Issuer represents and warrants that:

2.1 The Issuer is a limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all the requisite power and authority to execute, deliver and perform its obligations under the Notes, this Agreement and the Issuing and Paying Agency Agreement.

2.2 This Agreement and the Issuing and Paying Agency Agreement have been duly authorized, executed and delivered by the Issuer and constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), and except as rights to indemnity and contribution may be limited by federal or state law.

2.3 The Notes have been duly authorized, and when issued as provided in the Issuing and Paying Agency Agreement, will be duly and validly issued and will constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

2.4 The offer and sale of the Notes in the manner contemplated hereby do not require registration of the Notes under the Securities Act, pursuant to the exemption from registration contained in Section 4(a)(2) thereof, and no indenture in respect of the

Notes is required to be qualified under the Trust Indenture Act of 1939, as amended.

2.5 The Notes will rank at least pari passu with all other unsecured and unsubordinated indebtedness of the Issuer.

2.6 No consent or action of, or filing or registration with, any governmental or public regulatory body or authority, including the SEC, is required to authorize, or is otherwise required on the part of the Issuer in connection with the execution, delivery or performance of, this Agreement, the Notes or the Issuing and Paying Agency Agreement, except as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Notes.

2.7 Neither the execution and delivery of this Agreement and the Issuing and Paying Agency Agreement, nor the issuance of the Notes in accordance with the Issuing and Paying Agency Agreement, nor the fulfillment of or compliance with the terms and provisions hereof or thereof by the Issuer, will (i) result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer, which mortgage, lien, charge or encumbrance would have a material adverse effect on the consolidated financial position or consolidated results of operations of the Issuer, or (ii) violate or result in a breach or a default under any of the terms of the Issuer's limited partnership certificate or agreement, or (iii) violate or result in a breach or a default under any of the terms of any contract or instrument to which the Issuer is a party or by which it or its property is bound, or any law or regulation, or any order, writ, injunction or decree of any court or government instrumentality, to which the Issuer is subject or by which it or its property is bound, which violation, breach or default might have a material adverse effect on the consolidated financial position or consolidated results of operations of the Issuer or the ability of the Issuer to perform its obligations under this Agreement, the Notes or the Issuing and Paying Agency Agreement.

2.8 Other than as may be set forth or contemplated in the Company Information, there are no legal or governmental proceedings pending to which the Issuer or any of its subsidiaries is a party or of which any property of the Issuer or any of its subsidiaries is the subject, which, if determined adversely to the Issuer or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on the consolidated financial position or consolidated results of operations of the Issuer or the ability of the Issuer to perform its obligations under this Agreement, the Notes or the Issuing and Paying Agency Agreement; and, to the best of the Issuer's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

2.9 The Issuer is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

2.10 Neither the Private Placement Memorandum nor the Company Information, taken as a whole, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.11 Neither the Issuer, nor any of its subsidiaries, nor, to the knowledge of the Issuer and its subsidiaries, any director, officer, employee or agent thereof, is an individual or entity, or is controlled by a person that is, currently the subject of any Sanctions, nor is the Issuer or any subsidiary located, organized or resident in a Designated Jurisdiction. The Issuer and its subsidiaries have instituted and maintained policies and procedures designed to promote and achieve compliance with applicable Sanctions.

2.12 The Issuer and its subsidiaries have conducted their businesses in compliance with applicable Anti-Corruption Laws in all material respects and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

2.13 Each (a) issuance of Notes by the Issuer hereunder and (b) amendment or supplement of the Private Placement Memorandum shall be deemed a representation and warranty by the Issuer to the Dealer, as of the date thereof, that, both before and after giving effect to such issuance and after giving effect to such amendment or supplement, (i) the representations and warranties given by the Issuer set forth in this Section 2 remain true and correct on and as of such date as if made on and as of such date, (ii) in the case of an issuance of Notes, the Notes being issued on such date have been duly and validly issued and constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and (iii) in the case of an issuance of Notes, since the date of the most recent Private Placement Memorandum, there has been no material adverse change in the consolidated financial position or consolidated results of operations of the Issuer which has not been disclosed to the Dealer in writing and (iv) the Issuer is not in default of any of its obligations hereunder, under the Notes or the Issuing and Paying Agency Agreement.

3. Covenants and Agreements of Issuer.

The Issuer covenants and agrees that:

3.1 The Issuer will give the Dealer prompt notice (but in any event prior to any subsequent issuance of Notes hereunder) of any amendment to, modification of or waiver with respect to, the Notes or the Issuing and Paying Agency Agreement, including a complete copy of any such amendment, modification or waiver.

3.2 The Issuer shall, whenever there shall occur any adverse change in the consolidated financial position or consolidated results of operations of the Issuer or any adverse development or occurrence in relation to the Issuer that, in each case, would be material to holders of the Notes or potential holders of the Notes (including any downgrading or receipt of any notice of intended or potential downgrading or any review for potential change in the rating accorded any of the Issuer's securities by any nationally recognized statistical rating organization which has published a rating of the Notes), promptly, and in any event prior to any subsequent issuance of Notes hereunder, notify the Dealer (by telephone, confirmed in writing) of such change, development or occurrence.

3.3 The Issuer, subject to compliance with any applicable confidentiality restrictions, shall from time to time furnish to the Dealer such information as the Dealer may reasonably request, including, without limitation, any press releases or material provided by the Issuer to any national securities exchange or rating agency, regarding (i) the Issuer's operations and financial condition, (ii) the due authorization and execution of the Notes and (iii) the Issuer's ability to pay the Notes as they mature.

3.4 The Issuer will take all such action as the Dealer may reasonably request to ensure that each offer and each sale of the Notes will comply with any applicable state Blue Sky laws; provided, however, that the Issuer shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

3.5 The Issuer will not be in default of any of its obligations hereunder, under the Notes or under the Issuing and Paying Agency Agreement, at any time that any of the Notes are outstanding.

3.6 The Issuer shall not issue Notes hereunder until the Dealer shall have received (a) an opinion of counsel to the Issuer, addressed to the Dealer, reasonably satisfactory in form and substance to the Dealer, (b) a copy of the executed Issuing and Paying Agency Agreement as then in effect, (c) a copy of resolutions adopted by the Board of Directors or duly authorized committee thereof of the general partner of the Issuer, reasonably satisfactory in form and substance to the Dealer and certified by the Secretary or similar officer of the Issuer, authorizing execution and delivery by the Issuer of this Agreement, the Issuing and Paying Agency Agreement and the Notes and consummation by the Issuer of the transactions contemplated hereby and thereby, (d) a certificate of the secretary, assistant secretary or other designated officer of the Issuer certifying as to (i) the Issuer's organizational documents, and attaching true, correct and complete copies thereof, (ii) the Issuer's representations and warranties being true and correct in all material respects, and (iii) the incumbency of the officers of the Issuer

authorized to execute and deliver this Agreement, the Issuing and Paying Agency Agreement and the Notes, and take other action on behalf of the Issuer in connection with the transactions contemplated thereby, (e) prior to the issuance of any book-entry Notes represented by a master note registered in the name of DTC or its nominee, a copy of the executed Letter of Representations among the Issuer, the Issuing and Paying Agent and DTC and of the executed master note, (f) prior to the issuance of any Notes in physical form, a copy of such form (unless attached to this Agreement or the Issuing and Paying Agency Agreement), and (g) such other certificates, opinions, letters and documents as the Dealer shall have reasonably requested.

3.7 The Issuer shall reimburse the Dealer for all of the Dealer's documented out-of-pocket expenses related to this Agreement, including expenses incurred in connection with its preparation and negotiation, and the transactions contemplated hereby (including, but not limited to, the printing and distribution of the Private Placement Memorandum), and, if applicable, for the reasonable fees and documented out-of-pocket expenses of the Dealer's counsel.

3.8 The Issuer shall not file a Form D (as referenced in Rule 503 under the Securities Act) at any time in respect of the offer or sale of the Notes.

3.9 The Issuer shall not, and shall not permit its subsidiaries to, use the proceeds of any Notes for the purpose of funding any activities of or business with any individual or entity, or in any Designated Jurisdiction, in any manner that would result in the violation of Sanctions, or in any other manner that will result in a violation of any Sanctions by any party hereto.

3.10 The Issuer shall not use the proceeds of any Notes for the purpose of breaching the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, or other similar legislation in other jurisdictions.

4. Disclosure.

4.1 The Private Placement Memorandum and its contents (other than the Dealer Information) shall be the sole responsibility of the Issuer. The Private Placement Memorandum shall contain a statement expressly offering an opportunity for each prospective purchaser to ask questions of, and receive answers from, the Issuer concerning the offering of Notes and to obtain relevant additional information which the Issuer possesses or can acquire without unreasonable effort or expense.

4.2 The Issuer agrees to promptly furnish the Dealer the Company Information as it becomes available; provided, however, that so long as such Company Information is available on the Issuer's website, such information shall be deemed to have been furnished when such information first becomes available on the Issuer's website.

4.3 (a) The Issuer further agrees to notify the Dealer promptly upon the occurrence of any event relating to or affecting the Issuer that would cause the Company Information then in existence, taken as a whole, to include an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

(b) In the event that the Issuer gives the Dealer notice pursuant to Section 4.3(a) and (i) the Issuer is selling Notes in accordance with Section 1, (ii) the Dealer notifies the Issuer that it then has Notes it is holding in inventory or (iii) any Notes are otherwise outstanding, the Issuer agrees promptly to supplement or amend the Private Placement Memorandum so that the Private Placement Memorandum, as amended or supplemented, shall not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Issuer shall make such supplement or amendment available to the Dealer.

(c) In the event that (i) the Issuer gives the Dealer notice pursuant to Section 4.3(a), (ii) (A) the Issuer is selling Notes in accordance with Section 1, (B) the Dealer does not notify the Issuer that it is then holding Notes in inventory and (C) no Notes are otherwise outstanding, and (iii) the Issuer chooses not to promptly amend or supplement the Private Placement Memorandum in the manner described in clause (b) above, then all solicitations and sales of Notes shall be suspended until such time as the Issuer has so amended or supplemented the Private Placement Memorandum, and made such amendment or supplement available to the Dealer.

(d) Without limiting the generality of Section 4.3(a), to the extent that the Private Placement Memorandum sets forth financial information of the Issuer (other than financial information included in a report described in clause (i) of the definition of “Company Information” that (i) is incorporated by reference in the Private Placement Memorandum or (ii) the Private Placement Memorandum expressly states is being made available to holders and prospective purchasers of the Notes but is not otherwise set forth therein), the Issuer shall review, amend and supplement the Private Placement Memorandum on a periodic basis, but no less than at least once annually, to incorporate current financial information of the Issuer to the extent necessary to ensure that the information provided in the Private Placement Memorandum is accurate and complete.

5. Indemnification and Contribution.

5.1 The Issuer will indemnify and hold harmless the Dealer, each individual, corporation, partnership, trust, association or other entity controlling the Dealer, any affiliate of the Dealer or any such controlling entity and their respective directors, officers, employees, partners, incorporators, shareholders, servants,

trustees and agents (hereinafter the "Indemnitees") against any and all liabilities, penalties, suits, causes of action, losses, damages, claims, costs and expenses (including, without limitation, fees and disbursements of counsel) or judgments of whatever kind or nature (each a "Claim"), imposed upon, incurred by or asserted against the Indemnitees arising out of or based upon (i) any allegation that the Private Placement Memorandum, the Company Information or any information provided by the Issuer to the Dealer included (as of any relevant time) or includes an untrue statement of a material fact or omitted (as of any relevant time) or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or (ii) the breach by the Issuer of any agreement, covenant or representation made in or pursuant to this Agreement. This indemnification shall not apply to the extent that the Claim arises out of or is based upon Dealer Information.

5.2 Provisions relating to claims made for indemnification under this Section 5 are set forth in Exhibit B to this Agreement.

5.3 In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 5 is held to be unavailable or insufficient to hold harmless the Indemnitees, although applicable in accordance with the terms of this Section 5, the Issuer shall contribute to the aggregate costs incurred by the Dealer in connection with any Claim in the proportion of the respective economic interests of the Issuer and the Dealer; provided, however, that such contribution by the Issuer shall be in an amount such that the aggregate costs incurred by the Dealer do not exceed the aggregate of the commissions and fees earned by the Dealer hereunder with respect to the issue or issues of Notes to which such Claim relates. The respective economic interests shall be calculated by reference to the aggregate proceeds to the Issuer of the Notes issued hereunder and the aggregate commissions and fees earned by the Dealer hereunder.

6. Definitions.

6.1 "Anti-Corruption Laws" shall mean all laws, rules and regulations of any jurisdiction applicable to the Issuer or any of its subsidiaries from time to time concerning or relating to money laundering, bribery or corruption.

6.2 "Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

6.3 "Claim" shall have the meaning set forth in Section 5.1.

6.4 "Company Information" at any given time shall mean the Private Placement Memorandum together with, to the extent applicable, (i) the Issuer's most recent report on Form 10-K filed with the SEC and each report on Form 10-Q or 8-K filed by the Issuer with the SEC since the most recent Form 10-K, (ii) the Issuer's

most recent annual audited financial statements and each interim financial statement or report prepared subsequent thereto, if not included in item (i) above, (iii) the Issuer's other publicly available recent reports, including, but not limited to, any publicly available filings or reports provided to its unitholders, (iv) any other information or disclosure prepared pursuant to Section 4.3 hereof and (v) any information prepared or approved by the Issuer for dissemination to investors or potential investors in the Notes.

6.5 "Current Issuing and Paying Agent" shall have the meaning set forth in Section 7.9(i).

6.6 "Dealer Information" shall mean material concerning the Dealer provided by the Dealer in writing expressly for inclusion in the Private Placement Memorandum.

6.7 "Designated Jurisdiction" shall mean any country or territory to the extent that such country or territory itself is the subject of any Sanction (at the date hereof, Cuba, Iran, North Korea, Sudan and Syria).

6.8 "Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended.

6.9 "Indemnitee" shall have the meaning set forth in Section 5.1.

6.10 "Institutional Accredited Investor" shall mean an institutional investor that is an accredited investor within the meaning of Rule 501 under the Securities Act and that has such knowledge and experience in financial and business matters that it is capable of evaluating and bearing the economic risk of an investment in the Notes, including, but not limited to, a bank, as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution, as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity.

6.11 "Issuing and Paying Agency Agreement" shall mean the issuing and paying agency agreement described on the cover page of this Agreement, or any replacement thereof, as such agreement may be amended or supplemented from time to time.

6.12 "Issuing and Paying Agent" shall mean the party designated as such on the cover page of this Agreement, or any successor thereto or replacement thereof, as issuing and paying agent under the Issuing and Paying Agency Agreement.

6.13 "Non-bank fiduciary or agent" shall mean a fiduciary or agent other than (a) a bank, as defined in Section 3(a)(2) of the Securities Act, or (b) a savings and loan association, as defined in Section 3(a)(5)(A) of the Securities Act.

6.14 "Outstanding Notes" shall have the meaning set forth in Section 7.9(ii).

6.15 “Private Placement Memorandum” shall mean offering materials prepared in accordance with Section 4 (including materials referred to therein or incorporated by reference therein, if any) provided to purchasers and prospective purchasers of the Notes, and shall include amendments and supplements thereto which may be prepared from time to time in accordance with this Agreement (other than any amendment or supplement that has been completely superseded by a later amendment or supplement).

6.16 “Qualified Institutional Buyer” shall have the meaning assigned to that term in Rule 144A under the Securities Act.

6.17 “Replacement” shall have the meaning set forth in Section 7.9(i).

6.18 “Replacement Issuing and Paying Agent” shall have the meaning set forth in Section 7.9(i).

6.19 “Replacement Issuing and Paying Agency Agreement” shall have the meaning set forth in Section 7.9(i).

6.20 “Rule 144A” shall mean Rule 144A under the Securities Act.

6.21 “Sanction(s)” shall mean, with respect to any person, any sanction administered or enforced by the United States Government (including without limitation, the Office of Foreign Assets Control of the United States Department of the Treasury), the United Nations Security Council, the European Union or Her Majesty’s Treasury to the extent applicable to such person.

6.22 “SEC” shall mean the U.S. Securities and Exchange Commission.

6.23 “Securities Act” shall mean the U.S. Securities Act of 1933, as amended.

7. General

7.1 Unless otherwise expressly provided herein, all notices under this Agreement to parties hereto shall be in writing and shall be effective when received at the address of the respective party set forth in the Addendum to this Agreement.

7.2 This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflict of laws provisions.

7.3 (a) The Issuer and the Dealer agree that any suit, action or proceeding brought by the Issuer against the Dealer or by the Dealer against the Issuer in connection with or arising out of this Agreement or the Notes or the offer and sale of the Notes shall be brought solely in the United States federal courts located in the Borough of Manhattan or the courts of the State of New York located in the Borough of Manhattan. EACH OF THE DEALER AND THE ISSUER WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH

RESPECT TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(b) Each party hereto hereby irrevocably accepts and submits to the non-exclusive jurisdiction of each of the aforesaid courts in personam, generally and unconditionally, for itself and in respect of its properties, assets and revenues, with respect to any suit, action or proceeding in connection with or arising out of this Agreement or the Notes or the offer and sale of the Notes.

7.4 This Agreement may be terminated, at any time, by the Issuer, upon thirty days' prior notice to such effect to the Dealer, or by the Dealer upon thirty days' prior notice to such effect to the Issuer. Any such termination, however, shall not affect the obligations of the Issuer under Sections 3.7, 5 and 7.3 hereof or the respective representations, warranties, agreements, covenants, rights or responsibilities of the parties made or arising prior to the termination of this Agreement.

7.5 This Agreement is not assignable by either party hereto without the written consent of the other party; provided, however, that, upon prior written notice to the Issuer, the Dealer may assign its rights and obligations under this Agreement to any affiliate of the Dealer.

7.6 This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

7.7 This Agreement is for the exclusive benefit of the parties hereto, and their respective permitted successors and assigns hereunder, and shall not be deemed to give any legal or equitable right, remedy or claim to any other person whatsoever.

7.8 The Issuer acknowledges and agrees that (i) purchases and sales, or placements, of the Notes pursuant to this Agreement, including the determination of any prices for the Notes and Dealer compensation, are arm's-length commercial transactions between the Issuer and the Dealer, (ii) in connection therewith and with the process leading to such transactions, the Dealer is acting solely as a principal and not the agent (except to the extent explicitly set forth herein) or fiduciary of the Issuer or any of its affiliates, (iii) the Dealer has not assumed an advisory or fiduciary responsibility in favor of the Issuer or any of its affiliates with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether the Dealer has advised or is currently advising the Issuer or any of its affiliates on other matters) or any other obligation to the Issuer or any of its affiliates except the obligations expressly set forth in this Agreement, (iv) the Issuer is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement, (v) the Dealer and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer and that the Dealer has no obligation to disclose any of those interests by virtue of any advisory or fiduciary

relationship, (vi) the Dealer has not provided any legal, accounting, regulatory or tax advice with respect to the transactions contemplated hereby, and (vii) the Issuer has consulted its own legal and financial advisors to the extent it deemed appropriate. The Issuer agrees that it will not claim that the Dealer has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Issuer in connection with such transactions or the process leading thereto. Any review by the Dealer of the Issuer, the transactions contemplated hereby or other matters relating to such transactions shall be performed solely for the benefit of the Dealer and shall not be on behalf of the Issuer. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Issuer and the Dealer with respect to the subject matter hereof. The Issuer hereby waives and releases, to the fullest extent permitted by law, any claims the Issuer may have against the Dealer with respect to any breach or alleged breach of fiduciary duty.

7.9 (i) The parties hereto agree that the Issuer may, in accordance with the terms of this Section 7.9, from time to time replace the party which is then acting as Issuing and Paying Agent (the "Current Issuing and Paying Agent") with another party (such other party, the "Replacement Issuing and Paying Agent"), and enter into an agreement with the Replacement Issuing and Paying Agent covering the provision of issuing and paying agency functions in respect of the Notes by the Replacement Issuing and Paying Agent (the "Replacement Issuing and Paying Agency Agreement") (any such replacement, a "Replacement").

(ii) From and after the effective date of any Replacement, (A) to the extent that the Issuing and Paying Agency Agreement provides that the Current Issuing and Paying Agent will continue to act in respect of Notes outstanding as of the effective date of such Replacement (the "Outstanding Notes"), then (i) the "Issuing and Paying Agent" for the Notes shall be deemed to be the Current Issuing and Paying Agent, in respect of the Outstanding Notes, and the Replacement Issuing and Paying Agent, in respect of Notes issued on or after the Replacement, (ii) all references to the "Issuing and Paying Agent" hereunder shall be deemed to refer to the Current Issuing and Paying Agent in respect of the Outstanding Notes, and the Replacement Issuing and Paying Agent in respect of Notes issued on or after the Replacement, and (iii) all references to the "Issuing and Paying Agency Agreement" hereunder shall be deemed to refer to the existing Issuing and Paying Agency Agreement, in respect of the Outstanding Notes, and the Replacement Issuing and Paying Agency Agreement, in respect of Notes issued on or after the Replacement; and (B) to the extent that the Issuing and Paying Agency Agreement does not provide that the Current Issuing and Paying Agent will continue to act in respect of the Outstanding Notes, then (i) the "Issuing and Paying Agent" for the Notes shall be deemed to be the Replacement Issuing and Paying Agent, (ii) all references to the "Issuing and Paying Agent" hereunder shall be deemed to refer to the Replacement Issuing and Paying Agent, and (iii) all references to the "Issuing and Paying Agency Agreement" hereunder

shall be deemed to refer to the Replacement Issuing and Paying Agency Agreement.

(iii) From and after the effective date of any Replacement, the Issuer shall not issue any Notes hereunder unless and until the Dealer shall have received: (a) a copy of the executed Replacement Issuing and Paying Agency Agreement, (b) a copy of the executed Letter of Representations among the Issuer, the Replacement Issuing and Paying Agent and DTC, (c) a copy of the executed Master Note authenticated by the Replacement Issuing and Paying Agent and registered in the name of DTC or its nominee, (d) an amendment or supplement to the Private Placement Memorandum describing the Replacement Issuing and Paying Agent as the Issuing and Paying Agent for the Notes, and reflecting any other changes thereto necessary in light of the Replacement so that the Private Placement Memorandum, as amended or supplemented, satisfies the requirements of this Agreement, and (e) a legal opinion of counsel to the Issuer, addressed to the Dealer, in form and substance reasonably satisfactory to the Dealer, as to (x) the due authorization, delivery, validity and enforceability of Notes issued pursuant to the Replacement Issuing and Paying Agency Agreement, and (y) such other matters as the Dealer may reasonably request.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

AllianceBernstein L.P., as Issuer **Credit Suisse Securities (USA) LLC, as Dealer**

By: /s/ Raymond Carli By: /s/ Robert M. Crowe

Name: Raymond Carli Name: Robert M. Crowe

Title: SVP and Treasurer Title: Director

Addendum

The following additional clauses shall apply to the Agreement and be deemed a part thereof.

1. The other dealers referred to in clause (b) of Section 1.2 of the Agreement are Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

2. The addresses of the respective parties for purposes of notices under Section 7.1 are as follows:

   For the Issuer:

   Address: AllianceBernstein L.P., One North Lexington Avenue, White Plains NY 10601

   Attention: Treasury Department

   Telephone number: (212) 823-3322

   Fax number: (646) 452-9270

   For the Dealer:

   Address: Citigroup Global Markets Inc., 390 Greenwich Street, 4th Floor, New York, NY 10013

   Attention: Money Markets Organization

   Telephone number: (212) 723-6669

   Fax number: (212) 723-8624

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Exhibit A

Form of Legend for Private Placement Memorandum and Notes

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY OTHER APPLICABLE SECURITIES LAW, AND OFFERS AND SALES THEREOF MAY BE MADE ONLY IN COMPLIANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER WILL BE DEEMED TO REPRESENT THAT (I) IT HAS BEEN AFFORDED AN OPPORTUNITY TO INVESTIGATE MATTERS RELATING TO ALLIANCEBERNSTEIN L.P. (THE "ISSUER") AND THE NOTES, (II) IT IS NOT ACQUIRING SUCH NOTE WITH A VIEW TO ANY DISTRIBUTION THEREOF AND (III) IT IS EITHER (A)(1) AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a) UNDER THE ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") AND (2)(i) PURCHASING NOTES FOR ITS OWN ACCOUNT, (ii) A BANK (AS DEFINED IN SECTION 3(a)(2) OF THE ACT) OR A SAVINGS AND LOAN ASSOCIATION OR OTHER INSTITUTION (AS DEFINED IN SECTION 3(a)(5)(A) OF THE ACT) ACTING IN ITS INDIVIDUAL OR FIDUCIARY CAPACITY OR (iii) A FIDUCIARY OR AGENT (OTHER THAN A U.S. BANK OR SAVINGS AND LOAN ASSOCIATION OR OTHER SUCH INSTITUTION) PURCHASING NOTES FOR ONE OR MORE ACCOUNTS EACH OF WHICH ACCOUNTS IS SUCH AN INSTITUTIONAL ACCREDITED INVESTOR; OR (B) A QUALIFIED INSTITUTIONAL BUYER ("QIB") WITHIN THE MEANING OF RULE 144A UNDER THE ACT THAT IS ACQUIRING NOTES FOR ITS OWN ACCOUNT OR FOR ONE OR MORE ACCOUNTS, EACH OF WHICH ACCOUNTS IS A QIB; AND THE PURCHASER ACKNOWLEDGES THAT IT IS AWARE THAT THE SELLER MAY RELY UPON THE EXEMPTION FROM THE REGISTRATION PROVISIONS OF SECTION 5 OF THE ACT PROVIDED BY RULE 144A. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER THEREOF SHALL ALSO BE DEEMED TO AGREE THAT ANY RESALE OR OTHER TRANSFER THEREOF WILL BE MADE ONLY (A) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE ACT, EITHER (1) TO THE ISSUER OR TO A PLACEMENT AGENT DESIGNATED BY THE ISSUER AS A PLACEMENT AGENT FOR THE NOTES (COLLECTIVELY, THE "PLACEMENT AGENTS"), NONE OF WHICH SHALL HAVE ANY OBLIGATION TO ACQUIRE SUCH NOTE, (2) THROUGH A PLACEMENT AGENT TO AN INSTITUTIONAL ACCREDITED INVESTOR OR A QIB, OR (3) TO A QIB IN A TRANSACTION THAT MEETS THE REQUIREMENTS OF RULE 144A AND (B) IN MINIMUM AMOUNTS OF $250,000.

Exhibit B

Further Provisions Relating to Indemnification

(a) The Issuer agrees to reimburse each Indemnitee for all expenses (including reasonable fees and disbursements of internal and external counsel) as they are incurred by it in connection with investigating or defending any loss, claim, damage, liability or action in respect of which indemnification may be sought under Section 5 of the Agreement (whether or not it is a party to any such proceedings).

(b) Promptly after receipt by an Indemnitee of notice of the existence of a Claim, such Indemnitee will, if a claim in respect thereof is to be made against the Issuer, notify the Issuer in writing of the existence thereof; provided that (i) the omission so to notify the Issuer will not relieve the Issuer from any liability which it may have hereunder unless and except to the extent it did not otherwise learn of such Claim and such failure results in the forfeiture by the Issuer of substantial rights and defenses, and (ii) the omission so to notify the Issuer will not relieve it from liability which it may have to an Indemnitee otherwise than on account of this indemnity agreement. In case any such Claim is made against any Indemnitee and it notifies the Issuer of the existence thereof, the Issuer will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the Indemnitee, to assume the defense thereof, with counsel reasonably satisfactory to such Indemnitee; provided that if the defendants in any such Claim include both the Indemnitee and the Issuer, and the Indemnitee shall have concluded that there may be legal defenses available to it which are different from or additional to those available to the Issuer, the Issuer shall not have the right to direct the defense of such Claim on behalf of such Indemnitee, and the Indemnitee shall have the right to select separate counsel to assert such legal defenses on behalf of such Indemnitee. Upon receipt of notice from the Issuer to such Indemnitee of the Issuer’s election so to assume the defense of such Claim and approval by the Indemnitee of counsel, the Issuer will not be liable to such Indemnitee for expenses incurred thereafter by the Indemnitee in connection with the defense thereof (other than reasonable costs of investigation) unless (i) the Indemnitee shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the Issuer shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel in the jurisdiction in which any Claim is brought), approved by the Dealer, representing the Indemnitee who is party to such Claim), (ii) the Issuer shall not have employed counsel reasonably satisfactory to the Indemnitee to represent the Indemnitee within a reasonable time after notice of existence of the Claim or (iii) the Issuer has authorized in writing the employment of counsel for the Indemnitee. The indemnity, reimbursement and contribution obligations of the Issuer hereunder shall be in addition to any other liability the Issuer may otherwise have to an Indemnitee and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Issuer and any Indemnitee. The Issuer agrees that without the Dealer’s prior written consent, it will not settle, compromise or consent to the entry of any judgment in any Claim in respect of which indemnification may be

sought under the indemnification provision of the Agreement (whether or not the Dealer or any other Indemnitee is an actual or potential party to such Claim), unless such settlement, compromise or consent (i) includes an unconditional release of each Indemnitee from all liability arising out of such Claim and (ii) does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of any Indemnitee.

Exhibit C

Statement of Terms for Interest – Bearing Commercial Paper Notes of AllianceBernstein L.P.

THE PROVISIONS SET FORTH BELOW ARE QUALIFIED TO THE EXTENT APPLICABLE BY THE TRANSACTION SPECIFIC [PRICING] [PRIVATE PLACEMENT MEMORANDUM] SUPPLEMENT (THE "SUPPLEMENT") (IF ANY) SENT TO EACH PURCHASER AT THE TIME OF THE TRANSACTION.

1. General. (a) The obligations of the Issuer to which these terms apply (each a "Note") are represented by one or more Master Notes (each, a "Master Note") issued in the name of (or of a nominee for) The Depository Trust Company ("DTC"), which Master Note includes the terms and provisions for the Issuer's Interest-Bearing Commercial Paper Notes that are set forth in this Statement of Terms, since this Statement of Terms constitutes an integral part of the Underlying Records as defined and referred to in the Master Note.

(b) "Business Day" means any day other than a Saturday or Sunday that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, executive order or regulation to be closed in New York City and, with respect to LIBOR Notes (as defined below) is also a London Business Day. "London Business Day" means, a day, other than a Saturday or Sunday, on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

2. Interest. (a) Each Note will bear interest at a fixed rate (a "Fixed Rate Note") or at a floating rate (a "Floating Rate Note").

(b) The Supplement sent to each holder of such Note will describe the following terms: (i) whether such Note is a Fixed Rate Note or a Floating Rate Note and whether such Note is an Original Issue Discount Note (as defined below); (ii) the date on which such Note will be issued (the "Issue Date"); (iii) the Stated Maturity Date (as defined below); (iv) if such Note is a Fixed Rate Note, the rate per annum at which such Note will bear interest, if any, and the Interest Payment Dates; (v) if such Note is a Floating Rate Note, the Base Rate, the Index Maturity, the Interest Reset Dates, the Interest Payment Dates and the Spread and/or Spread Multiplier, if any (all as defined below), and any other terms relating to the particular method of calculating the interest rate for such Note; and (vi) any other terms applicable specifically to such Note. "Original Issue Discount Note" means a Note which has a stated redemption price at the Stated Maturity Date that exceeds its Issue Price by more than a specified de minimis amount and which the Supplement indicates will be an "Original Issue Discount Note".

(c) Each Fixed Rate Note will bear interest from its Issue Date at the rate per annum specified in the Supplement until the principal amount thereof is paid or made available for payment. Interest on each Fixed Rate Note will be payable on the dates specified in the Supplement (each an "Interest Payment Date" for a Fixed Rate Note) and on the

Maturity Date (as defined below). Interest on Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months.

If any Interest Payment Date or the Maturity Date of a Fixed Rate Note falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest will be payable on the next succeeding Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

(d) The interest rate on each Floating Rate Note for each Interest Reset Period (as defined below) will be determined by reference to an interest rate basis (a "Base Rate") plus or minus a number of basis points (one basis point equals one-hundredth of a percentage point) (the "Spread"), if any, and/or multiplied by a certain percentage (the "Spread Multiplier"), if any, until the principal thereof is paid or made available for payment. The Supplement will designate which of the following Base Rates is applicable to the related Floating Rate Note: (a) the CD Rate (a "CD Rate Note"), (b) the Commercial Paper Rate (a "Commercial Paper Rate Note"), (c) the Federal Funds Rate (a "Federal Funds Rate Note"), (d) LIBOR (a "LIBOR Note"), (e) the Prime Rate (a "Prime Rate Note"), (f) the Treasury Rate (a "Treasury Rate Note") or (g) such other Base Rate as may be specified in such Supplement.

The rate of interest on each Floating Rate Note will be reset daily, weekly, monthly, quarterly or semi-annually (the "Interest Reset Period"). The date or dates on which interest will be reset (each an "Interest Reset Date") will be, unless otherwise specified in the Supplement, in the case of Floating Rate Notes which reset daily, each Business Day, in the case of Floating Rate Notes (other than Treasury Rate Notes) that reset weekly, the Wednesday of each week; in the case of Treasury Rate Notes that reset weekly, the Tuesday of each week; in the case of Floating Rate Notes that reset monthly, the third Wednesday of each month; in the case of Floating Rate Notes that reset quarterly, the third Wednesday of March, June, September and December; and in the case of Floating Rate Notes that reset semiannually, the third Wednesday of the two months specified in the Supplement. If any Interest Reset Date for any Floating Rate Note is not a Business Day, such Interest Reset Date will be postponed to the next day that is a Business Day, except that in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day. Interest on each Floating Rate Note will be payable monthly, quarterly or semiannually (the "Interest Payment Period") and on the Maturity Date. Unless otherwise specified in the Supplement, and except as provided below, the date or dates on which interest will be payable (each an "Interest Payment Date" for a Floating Rate Note) will be, in the case of Floating Rate Notes with a monthly Interest Payment Period, on the third Wednesday of each month; in the case of Floating Rate Notes with a quarterly Interest Payment Period, on the third Wednesday of March, June, September and December; and in the case of Floating Rate Notes with a semiannual Interest Payment Period, on the third Wednesday of the two months specified in the Supplement. In addition, the Maturity Date will also be an Interest Payment Date.

If any Interest Payment Date for any Floating Rate Note (other than an Interest Payment Date occurring on the Maturity Date) would otherwise be a day that is not a Business Day, such Interest Payment Date shall be postponed to the next day that is a Business Day, except that in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Business Day. If the Maturity Date of a Floating Rate Note falls on a day that is not a Business Day, the payment of principal and interest will be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after such maturity.

Interest payments on each Interest Payment Date for Floating Rate Notes will include accrued interest from and including the Issue Date or from and including the last date in respect of which interest has been paid, as the case may be, to, but excluding, such Interest Payment Date. On the Maturity Date, the interest payable on a Floating Rate Note will include interest accrued to, but excluding, the Maturity Date. Accrued interest will be calculated by multiplying the principal amount of a Floating Rate Note by an accrued interest factor. This accrued interest factor will be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. The interest factor (expressed as a decimal) for each such day will be computed by dividing the interest rate applicable to such day by 360, in the cases where the Base Rate is the CD Rate, Commercial Paper Rate, Federal Funds Rate, LIBOR or Prime Rate, or by the actual number of days in the year, in the case where the Base Rate is the Treasury Rate. The interest rate in effect on each day will be (i) if such day is an Interest Reset Date, the interest rate with respect to the Interest Determination Date (as defined below) pertaining to such Interest Reset Date, or (ii) if such day is not an Interest Reset Date, the interest rate with respect to the Interest Determination Date pertaining to the next preceding Interest Reset Date, subject in either case to any adjustment by a Spread and/or a Spread Multiplier.

The “Interest Determination Date” where the Base Rate is the CD Rate or the Commercial Paper Rate will be the second Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is the Federal Funds Rate or the Prime Rate will be the Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is LIBOR will be the second London Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is the Treasury Rate will be the day of the week in which such Interest Reset Date falls when Treasury Bills are normally auctioned. Treasury Bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is held on the following Tuesday or the preceding Friday. If an auction is so held on the preceding Friday, such Friday will be the Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week.

The “Index Maturity” is the period to maturity of the instrument or obligation from which the applicable Base Rate is calculated.

The “Calculation Date,” where applicable, shall be the earlier of (i) the tenth calendar day following the applicable Interest Determination Date or (ii) the Business Day preceding the applicable Interest Payment Date or Maturity Date.

All times referred to herein reflect New York City time, unless otherwise specified.

The Issuer shall specify in writing to the Issuing and Paying Agent which party will be the calculation agent (the “Calculation Agent”) with respect to the Floating Rate Notes. The Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate which will become effective on the next Interest Reset Date with respect to such Floating Rate Note to the Issuing and Paying Agent as soon as the interest rate with respect to such Floating Rate Note has been determined and as soon as practicable after any change in such interest rate.

All percentages resulting from any calculation on Floating Rate Notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five-one millionths of a percentage point rounded upwards. For example, 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655). All dollar amounts used in or resulting from any calculation on Floating Rate Notes will be rounded, in the case of U.S. dollars, to the nearest cent or, in the case of a foreign currency, to the nearest unit (with one-half cent or unit being rounded upwards).

CD Rate Notes

“CD Rate” means the rate on any Interest Determination Date for negotiable certificates of deposit having the Index Maturity as published by the Board of Governors of the Federal Reserve System (the “FRB”) in “Statistical Release H.15(519), Selected Interest Rates” or any successor publication of the FRB (“H.15(519)”) under the heading “CDs (Secondary Market)”.

If the above rate is not published in H.15(519) by 3:00 p.m. on the Calculation Date, the CD Rate will be the rate on such Interest Determination Date set forth in the daily update of H.15(519), available through the world wide website of the FRB at http://www.federalreserve.gov/releases/h15/Update, or any successor site or publication or other recognized electronic source used for the purpose of displaying the applicable rate (“H.15 Daily Update”) under the caption “CDs (Secondary Market)”.

If such rate is not published in either H.15(519) or H.15 Daily Update by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the CD Rate to be the arithmetic mean of the secondary market offered rates as of 10:00 a.m. on such Interest Determination Date of three leading nonbank dealers[1] in negotiable U.S. dollar certificates of deposit in New York City selected by the Calculation Agent for negotiable

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[1] Such nonbank dealers referred to in this Statement of Terms may include affiliates of the Dealer.

U.S. dollar certificates of deposit of major United States money center banks of the highest credit standing in the market for negotiable certificates of deposit with a remaining maturity closest to the Index Maturity in the denomination of $5,000,000.

If the dealers selected by the Calculation Agent are not quoting as set forth above, the CD Rate will remain the CD Rate then in effect on such Interest Determination Date.

Commercial Paper Rate Notes

"Commercial Paper Rate" means the Money Market Yield (calculated as described below) of the rate on any Interest Determination Date for commercial paper having the Index Maturity, as published in H.15(519) under the heading "Commercial Paper-Nonfinancial".

If the above rate is not published in H.15(519) by 3:00 p.m. on the Calculation Date, then the Commercial Paper Rate will be the Money Market Yield of the rate on such Interest Determination Date for commercial paper of the Index Maturity as published in H.15 Daily Update under the heading "Commercial Paper-Nonfinancial".

If by 3:00 p.m. on such Calculation Date such rate is not published in either H.15(519) or H.15 Daily Update, then the Calculation Agent will determine the Commercial Paper Rate to be the Money Market Yield of the arithmetic mean of the offered rates as of 11:00 a.m. on such Interest Determination Date of three leading dealers of U.S. dollar commercial paper in New York City selected by the Calculation Agent for commercial paper of the Index Maturity placed for an industrial issuer whose bond rating is "AA," or the equivalent, from a nationally recognized statistical rating organization.

If the dealers selected by the Calculation Agent are not quoting as mentioned above, the Commercial Paper Rate with respect to such Interest Determination Date will remain the Commercial Paper Rate then in effect on such Interest Determination Date.

"Money Market Yield" will be a yield calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal and "M" refers to the actual number of days in the interest period for which interest is being calculated.

Federal Funds Rate Notes

"Federal Funds Rate" means the rate on any Interest Determination Date for federal funds as published in H.15(519) under the heading "Federal Funds (Effective)" and displayed

on Reuters Page (as defined below) FEDFUNDS1 (or any other page as may replace the specified page on that service) ("Reuters Page FEDFUNDS1") under the heading EFFECT.

If the above rate does not appear on Reuters Page FEDFUNDS1or is not so published by 3:00 p.m. on the Calculation Date, the Federal Funds Rate will be the rate on such Interest Determination Date as published in H.15 Daily Update under the heading "Federal Funds/(Effective)".

If such rate is not published as described above by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the Federal Funds Rate to be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by each of three leading brokers of Federal Funds transactions in New York City selected by the Calculation Agent prior to 9:00 a.m. on such Interest Determination Date.

If the brokers selected by the Calculation Agent are not quoting as mentioned above, the Federal Funds Rate will remain the Federal Funds Rate then in effect on such Interest Determination Date.

"Reuters Page" means the display on the Reuters 3000 Xtra Service, or any successor service, on the page or pages specified in this Statement of Terms or the Supplement, or any replacement page on that service.

LIBOR Notes

The London Interbank offered rate ("LIBOR") means, with respect to any Interest Determination Date, the rate for deposits in U.S. dollars having the Index Maturity that appears on the Designated LIBOR Page as of 11:00 a.m., London time, on such Interest Determination Date.

If no rate appears, LIBOR will be determined on the basis of the rates at approximately 11:00 a.m., London time, on such Interest Determination Date at which deposits in U.S. dollars are offered to prime banks in the London interbank market by four major banks in such market selected by the Calculation Agent for a term equal to the Index Maturity and in principal amount equal to an amount that in the Calculation Agent's judgment is representative for a single transaction in U.S. dollars in such market at such time (a "Representative Amount"). The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR for such interest period will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in New York City, on such Interest Determination Date by three major banks in New York City, selected by the Calculation Agent, for loans in U.S. dollars to leading European banks, for a term equal to the Index Maturity and in a Representative Amount; provided, however, that if fewer than three banks so selected by the Calculation Agent are providing such quotations, the then existing LIBOR rate will remain in effect for such Interest Payment Period.

"Designated LIBOR Page" means the display on the Reuters 3000 Xtra Service (or any successor service) on the "LIBOR01" page (or any other page as may replace such page on such service) for the purpose of displaying the London interbank rates of major banks.

Prime Rate Notes

"Prime Rate" means the rate on any Interest Determination Date as published in H.15(519) under the heading "Bank Prime Loan".

If the above rate is not published in H.15(519) prior to 3:00 p.m. on the Calculation Date, then the Prime Rate will be the rate on such Interest Determination Date as published in H.15 Daily Update opposite the caption "Bank Prime Loan".

If the rate is not published prior to 3:00 p.m. on the Calculation Date in either H.15(519) or H.15 Daily Update, then the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen US PRIME1 Page (as defined below) as such bank's prime rate or base lending rate as of 11:00 a.m., on that Interest Determination Date.

If fewer than four such rates referred to above are so published by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by 360 as of the close of business on such Interest Determination Date by three major banks in New York City selected by the Calculation Agent.

If the banks selected are not quoting as mentioned above, the Prime Rate will remain the Prime Rate in effect on such Interest Determination Date.

"Reuters Screen US PRIME1 Page" means the display designated as page "US PRIME1" on the Reuters Monitor Money Rates Service (or such other page as may replace the US PRIME1 page on that service for the purpose of displaying prime rates or base lending rates of major United States banks).

Treasury Rate Notes

"Treasury Rate" means:

(1) the rate from the auction held on the Interest Determination Date (the "Auction") of direct obligations of the United States ("Treasury Bills") having the Index Maturity specified in the Supplement under the caption "INVEST RATE" on the display on the Reuters Page designated as USAUCTION10 (or any other page as may replace that page on that service) or the Reuters Page designated as USAUCTION11 (or any other page as may replace that page on that service), or

(2) if the rate referred to in clause (1) is not so published by 3:00 p.m. on the related Calculation Date, the Bond Equivalent Yield (as defined below) of the rate

for the applicable Treasury Bills as published in H.15 Daily Update, under the caption "U.S. Government Securities/Treasury Bills/Auction High", or

(3) if the rate referred to in clause (2) is not so published by 3:00 p.m. on the related Calculation Date, the Bond Equivalent Yield of the auction rate of the applicable Treasury Bills as announced by the United States Department of the Treasury, or

(4) if the rate referred to in clause (3) is not so announced by the United States Department of the Treasury, or if the Auction is not held, the Bond Equivalent Yield of the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15(519) under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or

(5) if the rate referred to in clause (4) not so published by 3:00 p.m. on the related Calculation Date, the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15 Daily Update, under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or

(6) if the rate referred to in clause (5) is not so published by 3:00 p.m. on the related Calculation Date, the rate on the particular Interest Determination Date calculated by the Calculation Agent as the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m. on that Interest Determination Date, of three primary United States government securities dealers selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the Supplement, or

(7) if the dealers so selected by the Calculation Agent are not quoting as mentioned in clause (6), the Treasury Rate in effect on the particular Interest Determination Date.

"Bond Equivalent Yield" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal, "N" refers to 365 or 366, as the case may be, and "M" refers to the actual number of days in the applicable Interest Reset Period.

3. Final Maturity. The Stated Maturity Date for any Note will be the date so specified in the Supplement, which shall be no later than 270 days from the date of issuance. On its

Stated Maturity Date, or any date prior to the Stated Maturity Date on which the particular Note becomes due and payable by the declaration of acceleration, each such date being referred to as a Maturity Date, the principal amount of such Note, together with accrued and unpaid interest thereon, will be immediately due and payable.

4. Events of Default. The occurrence of any of the following shall constitute an "Event of Default" with respect to a Note: (i) default in any payment of principal of or interest on such Note (including on a redemption thereof); (ii) the Issuer makes any compromise arrangement with its creditors generally including the entering into any form of moratorium with its creditors generally; (iii) a court having jurisdiction shall enter a decree or order for relief in respect of the Issuer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or there shall be appointed a receiver, administrator, liquidator, custodian, trustee or sequestrator (or similar officer) with respect to the whole or substantially the whole of the assets of the Issuer and any such decree, order or appointment is not removed, discharged or withdrawn within 60 days thereafter; or (iv) the Issuer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, administrator, liquidator, assignee, custodian, trustee or sequestrator (or similar official), with respect to the whole or substantially the whole of the assets of the Issuer or make any general assignment for the benefit of creditors. Upon the occurrence of an Event of Default, the principal of such Note (together with interest accrued and unpaid thereon) shall become, without any notice or demand, immediately due and payable.[2]

5. Obligation Absolute. No provision of the Issuing and Paying Agency Agreement under which the Notes are issued shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on each Note at the times, place and rate, and in the coin or currency, herein prescribed.

6. Supplement. Any term contained in the Supplement shall supersede any conflicting term contained herein.

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[2] Unlike single payment notes, where a default arises only at the stated maturity, interest-bearing notes with multiple payment dates contain a default provision permitting acceleration of the maturity if the Issuer defaults on an interest payment.

Commercial Paper Dealer Agreement
4(a)(2) Program

Between:

AllianceBernstein L.P., as Issuer, and

Credit Suisse Securities (USA) LLC, as Dealer

Concerning Notes to be issued pursuant to the Amended and Restated Issuing and Paying Agency Agreement dated as of May 3, 2006 between the Issuer and Deutsche Bank National Trust Company, as Issuing and Paying Agent

Dated as of June 1, 2015

Commercial Paper Dealer Agreement
4(a)(2) Program

This agreement (the "Agreement") sets forth the understandings between the Issuer and the Dealer, each named on the cover page hereof, in connection with the issuance and sale by the Issuer of its short-term promissory notes (the "Notes") through the Dealer. Certain terms used in this Agreement are defined in Section 6 hereof.

The Addendum to this Agreement, and any Annexes or Exhibits described in this Agreement or such Addendum, are hereby incorporated into this Agreement and made fully a part hereof.

1. Offers, Sales and Resales of Notes.

1.1 While (i) the Issuer has and shall have no obligation to sell the Notes to the Dealer or to permit the Dealer to arrange any sale of the Notes for the account of the Issuer, and (ii) the Dealer has and shall have no obligation to purchase the Notes from the Issuer or to arrange any sale of the Notes for the account of the Issuer, the parties hereto agree that in any case where the Dealer purchases Notes from the Issuer, or arranges for the sale of Notes by the Issuer, such Notes will be purchased or sold by the Dealer in reliance on the representations, warranties, covenants and agreements of the Issuer contained herein or made pursuant hereto and on the terms and conditions and in the manner provided herein.

1.2 So long as this Agreement shall remain in effect, and in addition to the limitations contained in Section 1.7 hereof, the Issuer shall not, without the consent of the Dealer, offer, solicit or accept offers to purchase, or sell, any Notes except (a) in transactions with one or more dealers which may from time to time after the date hereof become dealers with respect to the Notes by executing with the Issuer one or more agreements which contain provisions substantially identical to those contained in Section 1 of this Agreement, of which the Issuer hereby undertakes to provide the Dealer prompt notice or (b) in transactions with the other dealers listed on the Addendum hereto, which are executing agreements with the Issuer which contain provisions substantially identical to Section 1 of this Agreement contemporaneously herewith. In no event shall the Issuer offer, solicit or accept offers to purchase, or sell, any Notes directly on its own behalf in transactions with persons other than broker-dealers as specifically permitted in this Section 1.2.

1.3 The Notes shall be in a minimum denomination of $250,000 or integral multiples of $1,000 in excess thereof, will bear such interest rates, if interest bearing, or will be sold at such discount from their face amounts, as shall be agreed upon by the Dealer and the Issuer, shall have a maturity not exceeding 270 days from the date of issuance and may have such terms as are specified in Exhibit C hereto, the Private Placement Memorandum, a pricing supplement, or as otherwise agreed upon by the applicable purchaser and the Issuer. The Notes shall not contain any provision for extension, renewal or automatic "rollover."

1.4 The authentication and issuance of, and payment for, the Notes shall be effected in accordance with the Issuing and Paying Agency Agreement, and the Notes shall be either individual physical certificates or book-entry notes evidenced by one or more master notes (each, a "Master Note") registered in the name of The Depository Trust Company ("DTC") or its nominee, in the form or forms delivered to the Dealer pursuant to Section 3.6 of this Agreement.

1.5 If the Issuer and the Dealer shall agree on the terms of the purchase of any Note by the Dealer or the sale of any Note arranged by the Dealer (including, but not limited to, agreement with respect to the date of issue, purchase price, principal amount, maturity and interest rate or interest rate index and margin (in the case of interest-bearing Notes) or discount thereof (in the case of Notes issued on a discount basis), and appropriate compensation for the Dealer's services hereunder) pursuant to this Agreement, the Issuer shall cause such Note to be issued and delivered in accordance with the terms of the Issuing and Paying Agency Agreement and payment for such Note shall be made by the purchaser thereof, either directly or through the Dealer, to the Issuing and Paying Agent, for the account of the Issuer. Except as otherwise agreed, in the event that the Dealer is acting as an agent and a purchaser shall either fail to accept delivery of or make payment for a Note on the date fixed for settlement, the Dealer shall promptly notify the Issuer, and if the Dealer has theretofore paid the Issuer for the Note, the Issuer will promptly return such funds to the Dealer against its return of the Note to the Issuer, in the case of a certificated Note, and upon notice of such failure in the case of a book-entry Note. If such failure occurred for any reason other than default by the Dealer, the Issuer shall reimburse the Dealer on an equitable basis for the Dealer's loss of the use of such funds for the period such funds were credited to the Issuer's account.

1.6 The Dealer and the Issuer hereby establish and agree to observe the following procedures in connection with offers, sales and subsequent resales or other transfers of the Notes:

(a) Offers and sales of the Notes by or through the Dealer shall be made only to: (i) investors reasonably believed by the Dealer to be Qualified Institutional Buyers or Institutional Accredited Investors and (ii) non-bank fiduciaries or agents that will be purchasing Notes for one or more accounts, each of which is reasonably believed by the Dealer to be an Institutional Accredited Investor.

(b) Resales and other transfers of the Notes by the holders thereof shall be made only in accordance with the restrictions in the legend described in clause (e) below.

(c) No general solicitation or general advertising shall be used in connection with the offering of the Notes. Without limiting the generality of the foregoing, without the prior written approval of the other party hereto, neither party shall issue any press release, make any other statement to any member of the press

making reference to the Notes, the offer or sale of the Notes or this Agreement or place or publish any "tombstone" or other advertisement relating to the Notes or the offer or sale thereof. To the extent permitted by applicable securities laws, the Issuer shall (i) omit the name of the Dealer from any publicly available filing by the Issuer that makes reference to the Notes, the offer or sale of the Notes or this Agreement, (ii) not include a copy of this Agreement in any such filing or as an exhibit thereto, and (iii) shall redact the Dealer's name and any contact or other information that could identify the Dealer from any agreement or other information included in such filing.

(d) No sale of Notes to any one purchaser shall be for less than $250,000 principal or face amount, and no Note shall be issued in a smaller principal or face amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom such purchaser is acting must purchase at least $250,000 principal or face amount of Notes.

(e) Offers and sales of the Notes shall be subject to the restrictions described in the legend appearing on Exhibit A hereto. A legend substantially to the effect of such Exhibit A shall appear as part of the Private Placement Memorandum used in connection with offers and sales of Notes hereunder, as well as on each individual certificate representing a Note and each Master Note representing book-entry Notes offered and sold pursuant to this Agreement.

(f) The Dealer shall furnish or shall have furnished to each purchaser of Notes for which it has acted as the Dealer a copy of the then-current Private Placement Memorandum unless such purchaser has previously received a copy of the Private Placement Memorandum as then in effect. The Private Placement Memorandum shall expressly state that any person to whom Notes are offered shall have an opportunity to ask questions of, and receive information from, the Issuer and the Dealer and shall provide the names, addresses and telephone numbers of the persons from whom information regarding the Issuer may be obtained.

(g) The Issuer agrees, for the benefit of the Dealer and each of the holders and prospective purchasers from time to time of the Notes that, if at any time the Issuer shall not be subject to Section 13 or 15(d) of the Exchange Act, the Issuer will furnish, upon request and at its expense, to the Dealer and to holders and prospective purchasers of Notes information required by Rule 144A(d)(4)(i) in compliance with Rule 144A(d).

(h) In the event that any Note offered or to be offered by the Dealer would be ineligible for resale under Rule 144A, the Issuer shall immediately notify the Dealer (by telephone, confirmed in writing) of such fact and shall promptly prepare and deliver to the Dealer an amendment or supplement to the Private Placement Memorandum describing the Notes that are ineligible, the reason for such ineligibility and any other relevant information relating thereto.

(i) The Issuer represents that it is not currently issuing commercial paper in the United States market in reliance upon the exemption provided by Section 3(a)(3) of the Securities Act. The Issuer agrees that, if it shall issue commercial paper after the date hereof in reliance upon such exemption (a) the proceeds from the sale of the Notes will be segregated from the proceeds of the sale of any such commercial paper by being placed in a separate account; (b) the Issuer will institute appropriate corporate procedures to ensure that the offers and sales of notes issued by the Issuer pursuant to the Section 3(a)(3) exemption are not integrated with offerings and sales of Notes hereunder; and (c) the Issuer will comply with each of the requirements of Section 3(a)(3) of the Securities Act in selling commercial paper or other short-term debt securities other than the Notes in the United States.

1.7 The Issuer hereby represents and warrants to the Dealer, in connection with offers, sales and resales of Notes, as follows:

(a) The Issuer hereby confirms to the Dealer that (except as permitted by Section 1.6(i)) within the preceding six months neither the Issuer nor any person other than the Dealer, the other dealers referred to in Section 1.2 hereof or Deutsche Bank Securities Inc. acting on behalf of the Issuer has offered or sold any Notes, or any substantially similar security of the Issuer, to, or solicited offers to buy any such security from, any person other than the Dealer or the other dealers referred to in Section 1.2 hereof. The Issuer also agrees that (except as permitted by Section 1.6(i)), as long as the Notes are being offered for sale by the Dealer and the other dealers referred to in Section 1.2 hereof as contemplated hereby and until at least six months after the offer of Notes hereunder has been terminated, neither the Issuer nor any person other than the Dealer or the other dealers referred to in Section 1.2 hereof (except as contemplated by Section 1.2 hereof) will offer the Notes or any substantially similar security of the Issuer for sale to, or solicit offers to buy any such security from, any person other than the Dealer or the other dealers referred to in Section 1.2 hereof, it being understood that such agreement is made with a view to bringing the offer and sale of the Notes within the exemption provided by Section 4(a)(2) of the Securities Act and shall survive any termination of this Agreement. The Issuer hereby represents and warrants that it has not taken or omitted to take, and will not take or omit to take, any action that would cause the offering and sale of Notes hereunder to be integrated with any other offering of securities, whether such offering is made by the Issuer or some other party or parties.

(b) The Issuer represents and agrees that the proceeds of the sale of the Notes are not currently contemplated to be used for the purpose of buying, carrying or trading securities within the meaning of Regulation T and the interpretations thereunder by the Board of Governors of the Federal Reserve System. In the event that the Issuer determines to use such proceeds for the purpose of buying, carrying or trading securities, whether in connection with an acquisition of

another company or otherwise, the Issuer shall give the Dealer at least five Business Days' prior written notice to that effect. The Issuer shall also give the Dealer prompt notice of the actual date that it commences to purchase securities with the proceeds of the Notes. Thereafter, in the event that the Dealer purchases Notes as principal and does not resell such Notes on the day of such purchase, to the extent necessary to comply with Regulation T and the interpretations thereunder, the Dealer will sell such Notes either (i) only to offerees it reasonably believes to be Qualified Institutional Buyers or to Qualified Institutional Buyers it reasonably believes are acting for other Qualified Institutional Buyers, in each case in accordance with Rule 144A or (ii) in a manner which would not cause a violation of Regulation T and the interpretations thereunder.

2. Representations and Warranties of Issuer.

The Issuer represents and warrants that:

2.1 The Issuer is a limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all the requisite power and authority to execute, deliver and perform its obligations under the Notes, this Agreement and the Issuing and Paying Agency Agreement.

2.2 This Agreement and the Issuing and Paying Agency Agreement have been duly authorized, executed and delivered by the Issuer and constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), and except as rights to indemnity and contribution may be limited by federal or state law.

2.3 The Notes have been duly authorized, and when issued as provided in the Issuing and Paying Agency Agreement, will be duly and validly issued and will constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

2.4 The offer and sale of the Notes in the manner contemplated hereby do not require registration of the Notes under the Securities Act, pursuant to the exemption from registration contained in Section 4(a)(2) thereof, and no indenture in respect of the Notes is required to be qualified under the Trust Indenture Act of 1939, as amended.

2.5 The Notes will rank at least pari passu with all other unsecured and unsubordinated indebtedness of the Issuer.

2.6 No consent or action of, or filing or registration with, any governmental or public regulatory body or authority, including the SEC, is required to authorize, or is otherwise required on the part of the Issuer in connection with the execution, delivery or performance of, this Agreement, the Notes or the Issuing and Paying Agency Agreement, except as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Notes.

2.7 Neither the execution and delivery of this Agreement and the Issuing and Paying Agency Agreement, nor the issuance of the Notes in accordance with the Issuing and Paying Agency Agreement, nor the fulfillment of or compliance with the terms and provisions hereof or thereof by the Issuer, will (i) result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer, which mortgage, lien, charge or encumbrance would have a material adverse effect on the consolidated financial position or consolidated results of operations of the Issuer, or (ii) violate or result in a breach or a default under any of the terms of the Issuer's limited partnership certificate or agreement, or (iii) violate or result in a breach or a default under any of the terms of any contract or instrument to which the Issuer is a party or by which it or its property is bound, or any law or regulation, or any order, writ, injunction or decree of any court or government instrumentality, to which the Issuer is subject or by which it or its property is bound, which violation, breach or default might have a material adverse effect on the consolidated financial position or consolidated results of operations of the Issuer or the ability of the Issuer to perform its obligations under this Agreement, the Notes or the Issuing and Paying Agency Agreement.

2.8 Other than as may be set forth or contemplated in the Company Information, there are no legal or governmental proceedings pending to which the Issuer or any of its subsidiaries is a party or of which any property of the Issuer or any of its subsidiaries is the subject, which, if determined adversely to the Issuer or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on the consolidated financial position or consolidated results of operations of the Issuer or the ability of the Issuer to perform its obligations under this Agreement, the Notes or the Issuing and Paying Agency Agreement; and, to the best of the Issuer's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

2.9 The Issuer is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

2.10 Neither the Private Placement Memorandum nor the Company Information, taken as a whole, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.11 Neither the Issuer, nor any of its subsidiaries, nor, to the knowledge of the Issuer and its subsidiaries, any director, officer, employee or agent thereof, is an individual or entity, or is controlled by a person that is, currently the subject of any Sanctions, nor is the Issuer or any subsidiary located, organized or resident in a Designated Jurisdiction. The Issuer and its subsidiaries have instituted and maintained policies and procedures designed to promote and achieve compliance with applicable Sanctions.

2.12 The Issuer and its subsidiaries have conducted their businesses in compliance with applicable Anti-Corruption Laws in all material respects and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

2.13 Each (a) issuance of Notes by the Issuer hereunder and (b) amendment or supplement of the Private Placement Memorandum shall be deemed a representation and warranty by the Issuer to the Dealer, as of the date thereof, that, both before and after giving effect to such issuance and after giving effect to such amendment or supplement, (i) the representations and warranties given by the Issuer set forth in this Section 2 remain true and correct on and as of such date as if made on and as of such date, (ii) in the case of an issuance of Notes, the Notes being issued on such date have been duly and validly issued and constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and (iii) in the case of an issuance of Notes, since the date of the most recent Private Placement Memorandum, there has been no material adverse change in the consolidated financial position or consolidated results of operations of the Issuer which has not been disclosed to the Dealer in writing and (iv) the Issuer is not in default of any of its obligations hereunder, under the Notes or the Issuing and Paying Agency Agreement.

3. Covenants and Agreements of Issuer.

The Issuer covenants and agrees that:

3.1 The Issuer will give the Dealer prompt notice (but in any event prior to any subsequent issuance of Notes hereunder) of any amendment to, modification of or waiver with respect to, the Notes or the Issuing and Paying Agency Agreement, including a complete copy of any such amendment, modification or waiver.

3.2 The Issuer shall, whenever there shall occur any adverse change in the consolidated financial position or consolidated results of operations of the Issuer or any adverse development or occurrence in relation to the Issuer that, in each case, would be material to holders of the Notes or potential holders of the Notes (including any downgrading or receipt of any notice of intended or potential

downgrading or any review for potential change in the rating accorded any of the Issuer's securities by any nationally recognized statistical rating organization which has published a rating of the Notes), promptly, and in any event prior to any subsequent issuance of Notes hereunder, notify the Dealer (by telephone, confirmed in writing) of such change, development or occurrence.

3.3 The Issuer, subject to compliance with any applicable confidentiality restrictions, shall from time to time furnish to the Dealer such information as the Dealer may reasonably request, including, without limitation, any press releases or material provided by the Issuer to any national securities exchange or rating agency, regarding (i) the Issuer's operations and financial condition, (ii) the due authorization and execution of the Notes and (iii) the Issuer's ability to pay the Notes as they mature.

3.4 The Issuer will take all such action as the Dealer may reasonably request to ensure that each offer and each sale of the Notes will comply with any applicable state Blue Sky laws; provided, however, that the Issuer shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

3.5 The Issuer will not be in default of any of its obligations hereunder, under the Notes or under the Issuing and Paying Agency Agreement, at any time that any of the Notes are outstanding.

3.6 The Issuer shall not issue Notes hereunder until the Dealer shall have received (a) an opinion of counsel to the Issuer, addressed to the Dealer, reasonably satisfactory in form and substance to the Dealer, (b) a copy of the executed Issuing and Paying Agency Agreement as then in effect, (c) a copy of resolutions adopted by the Board of Directors or duly authorized committee thereof of the general partner of the Issuer, reasonably satisfactory in form and substance to the Dealer and certified by the Secretary or similar officer of the Issuer, authorizing execution and delivery by the Issuer of this Agreement, the Issuing and Paying Agency Agreement and the Notes and consummation by the Issuer of the transactions contemplated hereby and thereby, (d) a certificate of the secretary, assistant secretary or other designated officer of the Issuer certifying as to (i) the Issuer's organizational documents, and attaching true, correct and complete copies thereof, (ii) the Issuer's representations and warranties being true and correct in all material respects, and (iii) the incumbency of the officers of the Issuer authorized to execute and deliver this Agreement, the Issuing and Paying Agency Agreement and the Notes, and take other action on behalf of the Issuer in connection with the transactions contemplated thereby, (e) prior to the issuance of any book-entry Notes represented by a master note registered in the name of DTC or its nominee, a copy of the executed Letter of Representations among the Issuer,

the Issuing and Paying Agent and DTC and of the executed master note, (f) prior to the issuance of any Notes in physical form, a copy of such form (unless attached to this Agreement or the Issuing and Paying Agency Agreement), and (g) such other certificates, opinions, letters and documents as the Dealer shall have reasonably requested.

3.7 The Issuer shall reimburse the Dealer for all of the Dealer's documented out-of-pocket expenses related to this Agreement, including expenses incurred in connection with its preparation and negotiation, and the transactions contemplated hereby (including, but not limited to, the printing and distribution of the Private Placement Memorandum), and, if applicable, for the reasonable fees and documented out-of-pocket expenses of the Dealer's counsel.

3.8 The Issuer shall not file a Form D (as referenced in Rule 503 under the Securities Act) at any time in respect of the offer or sale of the Notes.

3.9 The Issuer shall not, and shall not permit its subsidiaries to, use the proceeds of any Notes for the purpose of funding any activities of or business with any individual or entity, or in any Designated Jurisdiction, in any manner that would result in the violation of Sanctions, or in any other manner that will result in a violation of any Sanctions by any party hereto.

3.10 The Issuer shall not use the proceeds of any Notes for the purpose of breaching the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, or other similar legislation in other jurisdictions.

4. Disclosure.

4.1 The Private Placement Memorandum and its contents (other than the Dealer Information) shall be the sole responsibility of the Issuer. The Private Placement Memorandum shall contain a statement expressly offering an opportunity for each prospective purchaser to ask questions of, and receive answers from, the Issuer concerning the offering of Notes and to obtain relevant additional information which the Issuer possesses or can acquire without unreasonable effort or expense.

4.2 The Issuer agrees to promptly furnish the Dealer the Company Information as it becomes available; provided, however, that so long as such Company Information is available on the Issuer's website, such information shall be deemed to have been furnished when such information first becomes available on the Issuer's website.

4.3 (a) The Issuer further agrees to notify the Dealer promptly upon the occurrence of any event relating to or affecting the Issuer that would cause the Company Information then in existence, taken as a whole, to include an untrue statement of a material fact or to omit to state a material fact necessary in order to make the

statements contained therein, in light of the circumstances under which they are made, not misleading.

(b) In the event that the Issuer gives the Dealer notice pursuant to Section 4.3(a) and (i) the Issuer is selling Notes in accordance with Section 1, (ii) the Dealer notifies the Issuer that it then has Notes it is holding in inventory or (iii) any Notes are otherwise outstanding, the Issuer agrees promptly to supplement or amend the Private Placement Memorandum so that the Private Placement Memorandum, as amended or supplemented, shall not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Issuer shall make such supplement or amendment available to the Dealer.

(c) In the event that (i) the Issuer gives the Dealer notice pursuant to Section 4.3(a), (ii) (A) the Issuer is selling Notes in accordance with Section 1, (B) the Dealer does not notify the Issuer that it is then holding Notes in inventory and (C) no Notes are otherwise outstanding, and (iii) the Issuer chooses not to promptly amend or supplement the Private Placement Memorandum in the manner described in clause (b) above, then all solicitations and sales of Notes shall be suspended until such time as the Issuer has so amended or supplemented the Private Placement Memorandum, and made such amendment or supplement available to the Dealer.

(d) Without limiting the generality of Section 4.3(a), to the extent that the Private Placement Memorandum sets forth financial information of the Issuer (other than financial information included in a report described in clause (i) of the definition of "Company Information" that (i) is incorporated by reference in the Private Placement Memorandum or (ii) the Private Placement Memorandum expressly states is being made available to holders and prospective purchasers of the Notes but is not otherwise set forth therein), the Issuer shall review, amend and supplement the Private Placement Memorandum on a periodic basis, but no less than at least once annually, to incorporate current financial information of the Issuer to the extent necessary to ensure that the information provided in the Private Placement Memorandum is accurate and complete.

5. Indemnification and Contribution.

5.1 The Issuer will indemnify and hold harmless the Dealer, each individual, corporation, partnership, trust, association or other entity controlling the Dealer, any affiliate of the Dealer or any such controlling entity and their respective directors, officers, employees, partners, incorporators, shareholders, servants, trustees and agents (hereinafter the "Indemnitees") against any and all liabilities, penalties, suits, causes of action, losses, damages, claims, costs and expenses (including, without limitation, fees and disbursements of counsel) or judgments of whatever kind or nature (each a "Claim"), imposed upon, incurred by or asserted

against the Indemnitees arising out of or based upon (i) any allegation that the Private Placement Memorandum, the Company Information or any information provided by the Issuer to the Dealer included (as of any relevant time) or includes an untrue statement of a material fact or omitted (as of any relevant time) or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or (ii) the breach by the Issuer of any agreement, covenant or representation made in or pursuant to this Agreement. This indemnification shall not apply to the extent that the Claim arises out of or is based upon Dealer Information.

5.2 Provisions relating to claims made for indemnification under this Section 5 are set forth in Exhibit B to this Agreement.

5.3 In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 5 is held to be unavailable or insufficient to hold harmless the Indemnitees, although applicable in accordance with the terms of this Section 5, the Issuer shall contribute to the aggregate costs incurred by the Dealer in connection with any Claim in the proportion of the respective economic interests of the Issuer and the Dealer; provided, however, that such contribution by the Issuer shall be in an amount such that the aggregate costs incurred by the Dealer do not exceed the aggregate of the commissions and fees earned by the Dealer hereunder with respect to the issue or issues of Notes to which such Claim relates. The respective economic interests shall be calculated by reference to the aggregate proceeds to the Issuer of the Notes issued hereunder and the aggregate commissions and fees earned by the Dealer hereunder.

6. Definitions.

6.1 “Anti-Corruption Laws” shall mean all laws, rules and regulations of any jurisdiction applicable to the Issuer or any of its subsidiaries from time to time concerning or relating to money laundering, bribery or corruption.

6.2 “Business Day” shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

6.3 “Claim” shall have the meaning set forth in Section 5.1.

6.4 “Company Information” at any given time shall mean the Private Placement Memorandum together with, to the extent applicable, (i) the Issuer’s most recent report on Form 10-K filed with the SEC and each report on Form 10-Q or 8-K filed by the Issuer with the SEC since the most recent Form 10-K, (ii) the Issuer’s most recent annual audited financial statements and each interim financial statement or report prepared subsequent thereto, if not included in item (i) above, (iii) the Issuer’s other publicly available recent reports, including, but not limited to, any publicly available filings or reports provided to its unitholders, (iv) any

other information or disclosure prepared pursuant to Section 4.3 hereof and (v) any information prepared or approved by the Issuer for dissemination to investors or potential investors in the Notes.

6.5 "Current Issuing and Paying Agent" shall have the meaning set forth in Section 7.9(i).

6.6 "Dealer Information" shall mean material concerning the Dealer provided by the Dealer in writing expressly for inclusion in the Private Placement Memorandum.

6.7 "Designated Jurisdiction" shall mean any country or territory to the extent that such country or territory itself is the subject of any Sanction (at the date hereof, Cuba, Iran, North Korea, Sudan and Syria).

6.8 "Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended.

6.9 "Indemnitee" shall have the meaning set forth in Section 5.1.

6.10 "Institutional Accredited Investor" shall mean an institutional investor that is an accredited investor within the meaning of Rule 501 under the Securities Act and that has such knowledge and experience in financial and business matters that it is capable of evaluating and bearing the economic risk of an investment in the Notes, including, but not limited to, a bank, as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution, as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity.

6.11 "Issuing and Paying Agency Agreement" shall mean the issuing and paying agency agreement described on the cover page of this Agreement, or any replacement thereof, as such agreement may be amended or supplemented from time to time.

6.12 "Issuing and Paying Agent" shall mean the party designated as such on the cover page of this Agreement, or any successor thereto or replacement thereof, as issuing and paying agent under the Issuing and Paying Agency Agreement.

6.13 "Non-bank fiduciary or agent" shall mean a fiduciary or agent other than (a) a bank, as defined in Section 3(a)(2) of the Securities Act, or (b) a savings and loan association, as defined in Section 3(a)(5)(A) of the Securities Act.

6.14 "Outstanding Notes" shall have the meaning set forth in Section 7.9(ii).

6.15 "Private Placement Memorandum" shall mean offering materials prepared in accordance with Section 4 (including materials referred to therein or incorporated by reference therein, if any) provided to purchasers and prospective purchasers of the Notes, and shall include amendments and supplements thereto which may be

prepared from time to time in accordance with this Agreement (other than any amendment or supplement that has been completely superseded by a later amendment or supplement).

6.16 "Qualified Institutional Buyer" shall have the meaning assigned to that term in Rule 144A under the Securities Act.

6.17 "Replacement" shall have the meaning set forth in Section 7.9(i).

6.18 "Replacement Issuing and Paying Agent" shall have the meaning set forth in Section 7.9(i).

6.19 "Replacement Issuing and Paying Agency Agreement" shall have the meaning set forth in Section 7.9(i).

6.20 "Rule 144A" shall mean Rule 144A under the Securities Act.

6.21 "Sanction(s)" shall mean, with respect to any person, any sanction administered or enforced by the United States Government (including without limitation, the Office of Foreign Assets Control of the United States Department of the Treasury), the United Nations Security Council, the European Union or Her Majesty's Treasury to the extent applicable to such person.

6.22 "SEC" shall mean the U.S. Securities and Exchange Commission.

6.23 "Securities Act" shall mean the U.S. Securities Act of 1933, as amended.

7. General

7.1 Unless otherwise expressly provided herein, all notices under this Agreement to parties hereto shall be in writing and shall be effective when received at the address of the respective party set forth in the Addendum to this Agreement.

7.2 This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflict of laws provisions.

7.3 (a) The Issuer and the Dealer agree that any suit, action or proceeding brought by the Issuer against the Dealer or by the Dealer against the Issuer in connection with or arising out of this Agreement or the Notes or the offer and sale of the Notes shall be brought solely in the United States federal courts located in the Borough of Manhattan or the courts of the State of New York located in the Borough of Manhattan. EACH OF THE DEALER AND THE ISSUER WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(b) Each party hereto hereby irrevocably accepts and submits to the non-exclusive jurisdiction of each of the aforesaid courts in personam, generally and unconditionally, for itself and in respect of its properties, assets and revenues, with respect to any suit, action or proceeding in connection with or arising out of this Agreement or the Notes or the offer and sale of the Notes.

7.4 This Agreement may be terminated, at any time, by the Issuer, upon thirty days' prior notice to such effect to the Dealer, or by the Dealer upon thirty days' prior notice to such effect to the Issuer. Any such termination, however, shall not affect the obligations of the Issuer under Sections 3.7, 5 and 7.3 hereof or the respective representations, warranties, agreements, covenants, rights or responsibilities of the parties made or arising prior to the termination of this Agreement.

7.5 This Agreement is not assignable by either party hereto without the written consent of the other party; provided, however, that, upon 15 days' prior written notice to the Issuer, the Dealer may assign its rights and obligations under this Agreement to any affiliate of the Dealer.

7.6 This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

7.7 This Agreement is for the exclusive benefit of the parties hereto, and their respective permitted successors and assigns hereunder, and shall not be deemed to give any legal or equitable right, remedy or claim to any other person whatsoever.

7.8 The Issuer acknowledges and agrees that (i) purchases and sales, or placements, of the Notes pursuant to this Agreement, including the determination of any prices for the Notes and Dealer compensation, are arm's-length commercial transactions between the Issuer and the Dealer, (ii) in connection therewith and with the process leading to such transactions, the Dealer is acting solely as a principal and not the agent (except to the extent explicitly set forth herein) or fiduciary of the Issuer or any of its affiliates, (iii) the Dealer has not assumed an advisory or fiduciary responsibility in favor of the Issuer or any of its affiliates with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether the Dealer has advised or is currently advising the Issuer or any of its affiliates on other matters) or any other obligation to the Issuer or any of its affiliates except the obligations expressly set forth in this Agreement, (iv) the Issuer is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement, (v) the Dealer and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer and that the Dealer has no obligation to disclose any of those interests by virtue of any advisory or fiduciary relationship, (vi) the Dealer has not provided any legal, accounting, regulatory or tax advice with respect to the transactions contemplated hereby, and (vii) the Issuer has consulted its own legal and financial advisors to the extent it deemed

appropriate. The Issuer agrees that it will not claim that the Dealer has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Issuer in connection with such transactions or the process leading thereto. Any review by the Dealer of the Issuer, the transactions contemplated hereby or other matters relating to such transactions shall be performed solely for the benefit of the Dealer and shall not be on behalf of the Issuer. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Issuer and the Dealer with respect to the subject matter hereof. The Issuer hereby waives and releases, to the fullest extent permitted by law, any claims the Issuer may have against the Dealer with respect to any breach or alleged breach of fiduciary duty.

7.9 (i) The parties hereto agree that the Issuer may, in accordance with the terms of this Section 7.9, from time to time replace the party which is then acting as Issuing and Paying Agent (the "Current Issuing and Paying Agent") with another party (such other party, the "Replacement Issuing and Paying Agent"), and enter into an agreement with the Replacement Issuing and Paying Agent covering the provision of issuing and paying agency functions in respect of the Notes by the Replacement Issuing and Paying Agent (the "Replacement Issuing and Paying Agency Agreement") (any such replacement, a "Replacement").

(ii) From and after the effective date of any Replacement, (A) to the extent that the Issuing and Paying Agency Agreement provides that the Current Issuing and Paying Agent will continue to act in respect of Notes outstanding as of the effective date of such Replacement (the "Outstanding Notes"), then (i) the "Issuing and Paying Agent" for the Notes shall be deemed to be the Current Issuing and Paying Agent, in respect of the Outstanding Notes, and the Replacement Issuing and Paying Agent, in respect of Notes issued on or after the Replacement, (ii) all references to the "Issuing and Paying Agent" hereunder shall be deemed to refer to the Current Issuing and Paying Agent in respect of the Outstanding Notes, and the Replacement Issuing and Paying Agent in respect of Notes issued on or after the Replacement, and (iii) all references to the "Issuing and Paying Agency Agreement" hereunder shall be deemed to refer to the existing Issuing and Paying Agency Agreement, in respect of the Outstanding Notes, and the Replacement Issuing and Paying Agency Agreement, in respect of Notes issued on or after the Replacement; and (B) to the extent that the Issuing and Paying Agency Agreement does not provide that the Current Issuing and Paying Agent will continue to act in respect of the Outstanding Notes, then (i) the "Issuing and Paying Agent" for the Notes shall be deemed to be the Replacement Issuing and Paying Agent, (ii) all references to the "Issuing and Paying Agent" hereunder shall be deemed to refer to the Replacement Issuing and Paying Agent, and (iii) all references to the "Issuing and Paying Agency Agreement" hereunder shall be deemed to refer to the Replacement Issuing and Paying Agency Agreement.

(iii) From and after the effective date of any Replacement, the Issuer shall not issue any Notes hereunder unless and until the Dealer shall have received: (a) a copy of the executed Replacement Issuing and Paying Agency Agreement, (b) a copy of the executed Letter of Representations among the Issuer, the Replacement Issuing and Paying Agent and DTC, (c) a copy of the executed Master Note authenticated by the Replacement Issuing and Paying Agent and registered in the name of DTC or its nominee, (d) an amendment or supplement to the Private Placement Memorandum describing the Replacement Issuing and Paying Agent as the Issuing and Paying Agent for the Notes, and reflecting any other changes thereto necessary in light of the Replacement so that the Private Placement Memorandum, as amended or supplemented, satisfies the requirements of this Agreement, and (e) a legal opinion of counsel to the Issuer, addressed to the Dealer, in form and substance reasonably satisfactory to the Dealer, as to (x) the due authorization, delivery, validity and enforceability of Notes issued pursuant to the Replacement Issuing and Paying Agency Agreement, and (y) such other matters as the Dealer may reasonably request.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

AllianceBernstein L.P., as Issuer **Credit Suisse Securities (USA) LLC, as Dealer**

By: /s/ Raymond Carli By: /s/ Helena Willner

Name: Raymond Carli Name: Helena Willner

Title: SVP and Treasurer Title: Director

Addendum

The following additional clauses shall apply to the Agreement and be deemed a part thereof.

1. The other dealers referred to in clause (b) of Section 1.2 of the Agreement are Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

2. The addresses of the respective parties for purposes of notices under Section 7.1 are as follows:

   For the Issuer:

   Address: AllianceBernstein L.P., One North Lexington Avenue, White Plains NY 10601

   Attention: Treasury Department

   Telephone number: (212) 823-3322

   Fax number: (646) 452-9270

   For the Dealer:

   Address: Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, NY 10010

   Attention: Short and Medium Term Finance

   Telephone number: (212) 325-7198

   Fax number: (212) 743-5825

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Exhibit A

Form of Legend for Private Placement Memorandum and Notes

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY OTHER APPLICABLE SECURITIES LAW, AND OFFERS AND SALES THEREOF MAY BE MADE ONLY IN COMPLIANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER WILL BE DEEMED TO REPRESENT THAT (I) IT HAS BEEN AFFORDED AN OPPORTUNITY TO INVESTIGATE MATTERS RELATING TO ALLIANCEBERNSTEIN L.P. (THE "ISSUER") AND THE NOTES, (II) IT IS NOT ACQUIRING SUCH NOTE WITH A VIEW TO ANY DISTRIBUTION THEREOF AND (III) IT IS EITHER (A)(1) AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a) UNDER THE ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") AND (2)(i) PURCHASING NOTES FOR ITS OWN ACCOUNT, (ii) A BANK (AS DEFINED IN SECTION 3(a)(2) OF THE ACT) OR A SAVINGS AND LOAN ASSOCIATION OR OTHER INSTITUTION (AS DEFINED IN SECTION 3(a)(5)(A) OF THE ACT) ACTING IN ITS INDIVIDUAL OR FIDUCIARY CAPACITY OR (iii) A FIDUCIARY OR AGENT (OTHER THAN A U.S. BANK OR SAVINGS AND LOAN ASSOCIATION OR OTHER SUCH INSTITUTION) PURCHASING NOTES FOR ONE OR MORE ACCOUNTS EACH OF WHICH ACCOUNTS IS SUCH AN INSTITUTIONAL ACCREDITED INVESTOR; OR (B) A QUALIFIED INSTITUTIONAL BUYER ("QIB") WITHIN THE MEANING OF RULE 144A UNDER THE ACT THAT IS ACQUIRING NOTES FOR ITS OWN ACCOUNT OR FOR ONE OR MORE ACCOUNTS, EACH OF WHICH ACCOUNTS IS A QIB; AND THE PURCHASER ACKNOWLEDGES THAT IT IS AWARE THAT THE SELLER MAY RELY UPON THE EXEMPTION FROM THE REGISTRATION PROVISIONS OF SECTION 5 OF THE ACT PROVIDED BY RULE 144A. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER THEREOF SHALL ALSO BE DEEMED TO AGREE THAT ANY RESALE OR OTHER TRANSFER THEREOF WILL BE MADE ONLY (A) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE ACT, EITHER (1) TO THE ISSUER OR TO A PLACEMENT AGENT DESIGNATED BY THE ISSUER AS A PLACEMENT AGENT FOR THE NOTES (COLLECTIVELY, THE "PLACEMENT AGENTS"), NONE OF WHICH SHALL HAVE ANY OBLIGATION TO ACQUIRE SUCH NOTE, (2) THROUGH A PLACEMENT AGENT TO AN INSTITUTIONAL ACCREDITED INVESTOR OR A QIB, OR (3) TO A QIB IN A TRANSACTION THAT MEETS THE REQUIREMENTS OF RULE 144A AND (B) IN MINIMUM AMOUNTS OF $250,000.

Exhibit B

Further Provisions Relating to Indemnification

(a) The Issuer agrees to reimburse each Indemnitee for all expenses (including reasonable fees and disbursements of internal and external counsel) as they are incurred by it in connection with investigating or defending any loss, claim, damage, liability or action in respect of which indemnification may be sought under Section 5 of the Agreement (whether or not it is a party to any such proceedings).

(b) Promptly after receipt by an Indemnitee of notice of the existence of a Claim, such Indemnitee will, if a claim in respect thereof is to be made against the Issuer, notify the Issuer in writing of the existence thereof; provided that (i) the omission so to notify the Issuer will not relieve the Issuer from any liability which it may have hereunder unless and except to the extent it did not otherwise learn of such Claim and such failure results in the forfeiture by the Issuer of substantial rights and defenses, and (ii) the omission so to notify the Issuer will not relieve it from liability which it may have to an Indemnitee otherwise than on account of this indemnity agreement. In case any such Claim is made against any Indemnitee and it notifies the Issuer of the existence thereof, the Issuer will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the Indemnitee, to assume the defense thereof, with counsel reasonably satisfactory to such Indemnitee; provided that if the defendants in any such Claim include both the Indemnitee and the Issuer, and the Indemnitee shall have concluded that there may be legal defenses available to it which are different from or additional to those available to the Issuer, the Issuer shall not have the right to direct the defense of such Claim on behalf of such Indemnitee, and the Indemnitee shall have the right to select separate counsel to assert such legal defenses on behalf of such Indemnitee. Upon receipt of notice from the Issuer to such Indemnitee of the Issuer’s election so to assume the defense of such Claim and approval by the Indemnitee of counsel, the Issuer will not be liable to such Indemnitee for expenses incurred thereafter by the Indemnitee in connection with the defense thereof (other than reasonable costs of investigation) unless (i) the Indemnitee shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the Issuer shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel in the jurisdiction in which any Claim is brought), approved by the Dealer, representing the Indemnitee who is party to such Claim), (ii) the Issuer shall not have employed counsel reasonably satisfactory to the Indemnitee to represent the Indemnitee within a reasonable time after notice of existence of the Claim or (iii) the Issuer has authorized in writing the employment of counsel for the Indemnitee. The indemnity, reimbursement and contribution obligations of the Issuer hereunder shall be in addition to any other liability the Issuer may otherwise have to an Indemnitee and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Issuer and any Indemnitee. The Issuer agrees that without the Dealer’s prior written consent, it will not settle, compromise or consent to the entry of any judgment in any Claim in respect of which indemnification may be

sought under the indemnification provision of the Agreement (whether or not the Dealer or any other Indemnitee is an actual or potential party to such Claim), unless such settlement, compromise or consent (i) includes an unconditional release of each Indemnitee from all liability arising out of such Claim and (ii) does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of any Indemnitee.

Exhibit C

Statement of Terms for Interest – Bearing Commercial Paper Notes of AllianceBernstein L.P.

THE PROVISIONS SET FORTH BELOW ARE QUALIFIED TO THE EXTENT APPLICABLE BY THE TRANSACTION SPECIFIC [PRICING] [PRIVATE PLACEMENT MEMORANDUM] SUPPLEMENT (THE "SUPPLEMENT") (IF ANY) SENT TO EACH PURCHASER AT THE TIME OF THE TRANSACTION.

1. General. (a) The obligations of the Issuer to which these terms apply (each a "Note") are represented by one or more Master Notes (each, a "Master Note") issued in the name of (or of a nominee for) The Depository Trust Company ("DTC"), which Master Note includes the terms and provisions for the Issuer's Interest-Bearing Commercial Paper Notes that are set forth in this Statement of Terms, since this Statement of Terms constitutes an integral part of the Underlying Records as defined and referred to in the Master Note.

(b) "Business Day" means any day other than a Saturday or Sunday that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, executive order or regulation to be closed in New York City and, with respect to LIBOR Notes (as defined below) is also a London Business Day. "London Business Day" means, a day, other than a Saturday or Sunday, on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

2. Interest. (a) Each Note will bear interest at a fixed rate (a "Fixed Rate Note") or at a floating rate (a "Floating Rate Note").

(b) The Supplement sent to each holder of such Note will describe the following terms: (i) whether such Note is a Fixed Rate Note or a Floating Rate Note and whether such Note is an Original Issue Discount Note (as defined below); (ii) the date on which such Note will be issued (the "Issue Date"); (iii) the Stated Maturity Date (as defined below); (iv) if such Note is a Fixed Rate Note, the rate per annum at which such Note will bear interest, if any, and the Interest Payment Dates; (v) if such Note is a Floating Rate Note, the Base Rate, the Index Maturity, the Interest Reset Dates, the Interest Payment Dates and the Spread and/or Spread Multiplier, if any (all as defined below), and any other terms relating to the particular method of calculating the interest rate for such Note; and (vi) any other terms applicable specifically to such Note. "Original Issue Discount Note" means a Note which has a stated redemption price at the Stated Maturity Date that exceeds its Issue Price by more than a specified de minimis amount and which the Supplement indicates will be an "Original Issue Discount Note".

(c) Each Fixed Rate Note will bear interest from its Issue Date at the rate per annum specified in the Supplement until the principal amount thereof is paid or made available for payment. Interest on each Fixed Rate Note will be payable on the dates specified in the Supplement (each an "Interest Payment Date" for a Fixed Rate Note) and on the

Maturity Date (as defined below). Interest on Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months.

If any Interest Payment Date or the Maturity Date of a Fixed Rate Note falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest will be payable on the next succeeding Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

(d) The interest rate on each Floating Rate Note for each Interest Reset Period (as defined below) will be determined by reference to an interest rate basis (a "Base Rate") plus or minus a number of basis points (one basis point equals one-hundredth of a percentage point) (the "Spread"), if any, and/or multiplied by a certain percentage (the "Spread Multiplier"), if any, until the principal thereof is paid or made available for payment. The Supplement will designate which of the following Base Rates is applicable to the related Floating Rate Note: (a) the CD Rate (a "CD Rate Note"), (b) the Commercial Paper Rate (a "Commercial Paper Rate Note"), (c) the Federal Funds Rate (a "Federal Funds Rate Note"), (d) LIBOR (a "LIBOR Note"), (e) the Prime Rate (a "Prime Rate Note"), (f) the Treasury Rate (a "Treasury Rate Note") or (g) such other Base Rate as may be specified in such Supplement.

The rate of interest on each Floating Rate Note will be reset daily, weekly, monthly, quarterly or semi-annually (the "Interest Reset Period"). The date or dates on which interest will be reset (each an "Interest Reset Date") will be, unless otherwise specified in the Supplement, in the case of Floating Rate Notes which reset daily, each Business Day, in the case of Floating Rate Notes (other than Treasury Rate Notes) that reset weekly, the Wednesday of each week; in the case of Treasury Rate Notes that reset weekly, the Tuesday of each week; in the case of Floating Rate Notes that reset monthly, the third Wednesday of each month; in the case of Floating Rate Notes that reset quarterly, the third Wednesday of March, June, September and December; and in the case of Floating Rate Notes that reset semiannually, the third Wednesday of the two months specified in the Supplement. If any Interest Reset Date for any Floating Rate Note is not a Business Day, such Interest Reset Date will be postponed to the next day that is a Business Day, except that in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day. Interest on each Floating Rate Note will be payable monthly, quarterly or semiannually (the "Interest Payment Period") and on the Maturity Date. Unless otherwise specified in the Supplement, and except as provided below, the date or dates on which interest will be payable (each an "Interest Payment Date" for a Floating Rate Note) will be, in the case of Floating Rate Notes with a monthly Interest Payment Period, on the third Wednesday of each month; in the case of Floating Rate Notes with a quarterly Interest Payment Period, on the third Wednesday of March, June, September and December; and in the case of Floating Rate Notes with a semiannual Interest Payment Period, on the third Wednesday of the two months specified in the Supplement. In addition, the Maturity Date will also be an Interest Payment Date.

If any Interest Payment Date for any Floating Rate Note (other than an Interest Payment Date occurring on the Maturity Date) would otherwise be a day that is not a Business Day, such Interest Payment Date shall be postponed to the next day that is a Business Day, except that in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Business Day. If the Maturity Date of a Floating Rate Note falls on a day that is not a Business Day, the payment of principal and interest will be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after such maturity.

Interest payments on each Interest Payment Date for Floating Rate Notes will include accrued interest from and including the Issue Date or from and including the last date in respect of which interest has been paid, as the case may be, to, but excluding, such Interest Payment Date. On the Maturity Date, the interest payable on a Floating Rate Note will include interest accrued to, but excluding, the Maturity Date. Accrued interest will be calculated by multiplying the principal amount of a Floating Rate Note by an accrued interest factor. This accrued interest factor will be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. The interest factor (expressed as a decimal) for each such day will be computed by dividing the interest rate applicable to such day by 360, in the cases where the Base Rate is the CD Rate, Commercial Paper Rate, Federal Funds Rate, LIBOR or Prime Rate, or by the actual number of days in the year, in the case where the Base Rate is the Treasury Rate. The interest rate in effect on each day will be (i) if such day is an Interest Reset Date, the interest rate with respect to the Interest Determination Date (as defined below) pertaining to such Interest Reset Date, or (ii) if such day is not an Interest Reset Date, the interest rate with respect to the Interest Determination Date pertaining to the next preceding Interest Reset Date, subject in either case to any adjustment by a Spread and/or a Spread Multiplier.

The “Interest Determination Date” where the Base Rate is the CD Rate or the Commercial Paper Rate will be the second Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is the Federal Funds Rate or the Prime Rate will be the Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is LIBOR will be the second London Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is the Treasury Rate will be the day of the week in which such Interest Reset Date falls when Treasury Bills are normally auctioned. Treasury Bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is held on the following Tuesday or the preceding Friday. If an auction is so held on the preceding Friday, such Friday will be the Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week.

The “Index Maturity” is the period to maturity of the instrument or obligation from which the applicable Base Rate is calculated.

The “Calculation Date,” where applicable, shall be the earlier of (i) the tenth calendar day following the applicable Interest Determination Date or (ii) the Business Day preceding the applicable Interest Payment Date or Maturity Date.

All times referred to herein reflect New York City time, unless otherwise specified.

The Issuer shall specify in writing to the Issuing and Paying Agent which party will be the calculation agent (the “Calculation Agent”) with respect to the Floating Rate Notes. The Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate which will become effective on the next Interest Reset Date with respect to such Floating Rate Note to the Issuing and Paying Agent as soon as the interest rate with respect to such Floating Rate Note has been determined and as soon as practicable after any change in such interest rate.

All percentages resulting from any calculation on Floating Rate Notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five-one millionths of a percentage point rounded upwards. For example, 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655). All dollar amounts used in or resulting from any calculation on Floating Rate Notes will be rounded, in the case of U.S. dollars, to the nearest cent or, in the case of a foreign currency, to the nearest unit (with one-half cent or unit being rounded upwards).

CD Rate Notes

“CD Rate” means the rate on any Interest Determination Date for negotiable certificates of deposit having the Index Maturity as published by the Board of Governors of the Federal Reserve System (the “FRB”) in “Statistical Release H.15(519), Selected Interest Rates” or any successor publication of the FRB (“H.15(519)”) under the heading “CDs (Secondary Market)”.

If the above rate is not published in H.15(519) by 3:00 p.m. on the Calculation Date, the CD Rate will be the rate on such Interest Determination Date set forth in the daily update of H.15(519), available through the world wide website of the FRB at http://www.federalreserve.gov/releases/h15/Update, or any successor site or publication or other recognized electronic source used for the purpose of displaying the applicable rate (“H.15 Daily Update”) under the caption “CDs (Secondary Market)”.

If such rate is not published in either H.15(519) or H.15 Daily Update by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the CD Rate to be the arithmetic mean of the secondary market offered rates as of 10:00 a.m. on such Interest Determination Date of three leading nonbank dealers[1] in negotiable U.S. dollar certificates of deposit in New York City selected by the Calculation Agent for negotiable

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[1] Such nonbank dealers referred to in this Statement of Terms may include affiliates of the Dealer.

U.S. dollar certificates of deposit of major United States money center banks of the highest credit standing in the market for negotiable certificates of deposit with a remaining maturity closest to the Index Maturity in the denomination of $5,000,000.

If the dealers selected by the Calculation Agent are not quoting as set forth above, the CD Rate will remain the CD Rate then in effect on such Interest Determination Date.

Commercial Paper Rate Notes

"Commercial Paper Rate" means the Money Market Yield (calculated as described below) of the rate on any Interest Determination Date for commercial paper having the Index Maturity, as published in H.15(519) under the heading "Commercial Paper-Nonfinancial".

If the above rate is not published in H.15(519) by 3:00 p.m. on the Calculation Date, then the Commercial Paper Rate will be the Money Market Yield of the rate on such Interest Determination Date for commercial paper of the Index Maturity as published in H.15 Daily Update under the heading "Commercial Paper-Nonfinancial".

If by 3:00 p.m. on such Calculation Date such rate is not published in either H.15(519) or H.15 Daily Update, then the Calculation Agent will determine the Commercial Paper Rate to be the Money Market Yield of the arithmetic mean of the offered rates as of 11:00 a.m. on such Interest Determination Date of three leading dealers of U.S. dollar commercial paper in New York City selected by the Calculation Agent for commercial paper of the Index Maturity placed for an industrial issuer whose bond rating is "AA," or the equivalent, from a nationally recognized statistical rating organization.

If the dealers selected by the Calculation Agent are not quoting as mentioned above, the Commercial Paper Rate with respect to such Interest Determination Date will remain the Commercial Paper Rate then in effect on such Interest Determination Date.

"Money Market Yield" will be a yield calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal and "M" refers to the actual number of days in the interest period for which interest is being calculated.

Federal Funds Rate Notes

"Federal Funds Rate" means the rate on any Interest Determination Date for federal funds as published in H.15(519) under the heading "Federal Funds (Effective)" and displayed

on Reuters Page (as defined below) FEDFUNDS1 (or any other page as may replace the specified page on that service) ("Reuters Page FEDFUNDS1") under the heading EFFECT.

If the above rate does not appear on Reuters Page FEDFUNDS1or is not so published by 3:00 p.m. on the Calculation Date, the Federal Funds Rate will be the rate on such Interest Determination Date as published in H.15 Daily Update under the heading "Federal Funds/(Effective)".

If such rate is not published as described above by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the Federal Funds Rate to be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by each of three leading brokers of Federal Funds transactions in New York City selected by the Calculation Agent prior to 9:00 a.m. on such Interest Determination Date.

If the brokers selected by the Calculation Agent are not quoting as mentioned above, the Federal Funds Rate will remain the Federal Funds Rate then in effect on such Interest Determination Date.

"Reuters Page" means the display on the Reuters 3000 Xtra Service, or any successor service, on the page or pages specified in this Statement of Terms or the Supplement, or any replacement page on that service.

LIBOR Notes

The London Interbank offered rate ("LIBOR") means, with respect to any Interest Determination Date, the rate for deposits in U.S. dollars having the Index Maturity that appears on the Designated LIBOR Page as of 11:00 a.m., London time, on such Interest Determination Date.

If no rate appears, LIBOR will be determined on the basis of the rates at approximately 11:00 a.m., London time, on such Interest Determination Date at which deposits in U.S. dollars are offered to prime banks in the London interbank market by four major banks in such market selected by the Calculation Agent for a term equal to the Index Maturity and in principal amount equal to an amount that in the Calculation Agent's judgment is representative for a single transaction in U.S. dollars in such market at such time (a "Representative Amount"). The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR for such interest period will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in New York City, on such Interest Determination Date by three major banks in New York City, selected by the Calculation Agent, for loans in U.S. dollars to leading European banks, for a term equal to the Index Maturity and in a Representative Amount; provided, however, that if fewer than three banks so selected by the Calculation Agent are providing such quotations, the then existing LIBOR rate will remain in effect for such Interest Payment Period.

"Designated LIBOR Page" means the display on the Reuters 3000 Xtra Service (or any successor service) on the "LIBOR01" page (or any other page as may replace such page on such service) for the purpose of displaying the London interbank rates of major banks.

Prime Rate Notes

"Prime Rate" means the rate on any Interest Determination Date as published in H.15(519) under the heading "Bank Prime Loan".

If the above rate is not published in H.15(519) prior to 3:00 p.m. on the Calculation Date, then the Prime Rate will be the rate on such Interest Determination Date as published in H.15 Daily Update opposite the caption "Bank Prime Loan".

If the rate is not published prior to 3:00 p.m. on the Calculation Date in either H.15(519) or H.15 Daily Update, then the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen US PRIME1 Page (as defined below) as such bank's prime rate or base lending rate as of 11:00 a.m., on that Interest Determination Date.

If fewer than four such rates referred to above are so published by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by 360 as of the close of business on such Interest Determination Date by three major banks in New York City selected by the Calculation Agent.

If the banks selected are not quoting as mentioned above, the Prime Rate will remain the Prime Rate in effect on such Interest Determination Date.

"Reuters Screen US PRIME1 Page" means the display designated as page "US PRIME1" on the Reuters Monitor Money Rates Service (or such other page as may replace the US PRIME1 page on that service for the purpose of displaying prime rates or base lending rates of major United States banks).

Treasury Rate Notes

"Treasury Rate" means:

(1) the rate from the auction held on the Interest Determination Date (the "Auction") of direct obligations of the United States ("Treasury Bills") having the Index Maturity specified in the Supplement under the caption "INVEST RATE" on the display on the Reuters Page designated as USAUCTION10 (or any other page as may replace that page on that service) or the Reuters Page designated as USAUCTION11 (or any other page as may replace that page on that service), or

(2) if the rate referred to in clause (1) is not so published by 3:00 p.m. on the related Calculation Date, the Bond Equivalent Yield (as defined below) of the rate

for the applicable Treasury Bills as published in H.15 Daily Update, under the caption "U.S. Government Securities/Treasury Bills/Auction High", or

(3) if the rate referred to in clause (2) is not so published by 3:00 p.m. on the related Calculation Date, the Bond Equivalent Yield of the auction rate of the applicable Treasury Bills as announced by the United States Department of the Treasury, or

(4) if the rate referred to in clause (3) is not so announced by the United States Department of the Treasury, or if the Auction is not held, the Bond Equivalent Yield of the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15(519) under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or

(5) if the rate referred to in clause (4) not so published by 3:00 p.m. on the related Calculation Date, the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15 Daily Update, under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or

(6) if the rate referred to in clause (5) is not so published by 3:00 p.m. on the related Calculation Date, the rate on the particular Interest Determination Date calculated by the Calculation Agent as the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m. on that Interest Determination Date, of three primary United States government securities dealers selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the Supplement, or

(7) if the dealers so selected by the Calculation Agent are not quoting as mentioned in clause (6), the Treasury Rate in effect on the particular Interest Determination Date.

"Bond Equivalent Yield" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal, "N" refers to 365 or 366, as the case may be, and "M" refers to the actual number of days in the applicable Interest Reset Period.

3. Final Maturity. The Stated Maturity Date for any Note will be the date so specified in the Supplement, which shall be no later than 270 days from the date of issuance. On its

Stated Maturity Date, or any date prior to the Stated Maturity Date on which the particular Note becomes due and payable by the declaration of acceleration, each such date being referred to as a Maturity Date, the principal amount of such Note, together with accrued and unpaid interest thereon, will be immediately due and payable.

4. Events of Default. The occurrence of any of the following shall constitute an "Event of Default" with respect to a Note: (i) default in any payment of principal of or interest on such Note (including on a redemption thereof); (ii) the Issuer makes any compromise arrangement with its creditors generally including the entering into any form of moratorium with its creditors generally; (iii) a court having jurisdiction shall enter a decree or order for relief in respect of the Issuer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or there shall be appointed a receiver, administrator, liquidator, custodian, trustee or sequestrator (or similar officer) with respect to the whole or substantially the whole of the assets of the Issuer and any such decree, order or appointment is not removed, discharged or withdrawn within 60 days thereafter; or (iv) the Issuer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, administrator, liquidator, assignee, custodian, trustee or sequestrator (or similar official), with respect to the whole or substantially the whole of the assets of the Issuer or make any general assignment for the benefit of creditors. Upon the occurrence of an Event of Default, the principal of such Note (together with interest accrued and unpaid thereon) shall become, without any notice or demand, immediately due and payable.[2]

5. Obligation Absolute. No provision of the Issuing and Paying Agency Agreement under which the Notes are issued shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on each Note at the times, place and rate, and in the coin or currency, herein prescribed.

6. Supplement. Any term contained in the Supplement shall supersede any conflicting term contained herein.

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[2] Unlike single payment notes, where a default arises only at the stated maturity date, interest-bearing notes with multiple payment dates should contain a default provision permitting acceleration of the maturity if the Issuer defaults on an interest payment.

Commercial Paper Dealer Agreement
4(a)(2) Program

Between:

AllianceBernstein L.P., as Issuer, and

Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Dealer

Concerning Notes to be issued pursuant to the Amended and Restated Issuing and Paying Agency Agreement dated as of May 3, 2006 between the Issuer and Deutsche Bank National Trust Company, as Issuing and Paying Agent

Dated as of June 1, 2015

Commercial Paper Dealer Agreement
4(a)(2) Program

This agreement (the "Agreement") sets forth the understandings between the Issuer and the Dealer, each named on the cover page hereof, in connection with the issuance and sale by the Issuer of its short-term promissory notes (the "Notes") through the Dealer. Certain terms used in this Agreement are defined in Section 6 hereof. As between the Issuer and the Dealer, this Agreement amends and restates the Amended and Restated Dealer Agreement, dated as of October 31, 2011, among the Issuer, the Dealer and the other parties named therein.

The Addendum to this Agreement, and any Annexes or Exhibits described in this Agreement or such Addendum, are hereby incorporated into this Agreement and made fully a part hereof.

1. Offers, Sales and Resales of Notes.

1.1 While (i) the Issuer has and shall have no obligation to sell the Notes to the Dealer or to permit the Dealer to arrange any sale of the Notes for the account of the Issuer, and (ii) the Dealer has and shall have no obligation to purchase the Notes from the Issuer or to arrange any sale of the Notes for the account of the Issuer, the parties hereto agree that in any case where the Dealer purchases Notes from the Issuer, or arranges for the sale of Notes by the Issuer, such Notes will be purchased or sold by the Dealer in reliance on the representations, warranties, covenants and agreements of the Issuer contained herein or made pursuant hereto and on the terms and conditions and in the manner provided herein.

1.2 So long as this Agreement shall remain in effect, and in addition to the limitations contained in Section 1.7 hereof, the Issuer shall not, without the consent of the Dealer, offer, solicit or accept offers to purchase, or sell, any Notes except (a) in transactions with one or more dealers which may from time to time after the date hereof become dealers with respect to the Notes by executing with the Issuer one or more agreements which contain provisions substantially identical to those contained in Section 1 of this Agreement, of which the Issuer hereby undertakes to provide the Dealer prompt notice or (b) in transactions with the other dealers listed on the Addendum hereto, which are executing agreements with the Issuer which contain provisions substantially identical to Section 1 of this Agreement contemporaneously herewith. In no event shall the Issuer offer, solicit or accept offers to purchase, or sell, any Notes directly on its own behalf in transactions with persons other than broker-dealers as specifically permitted in this Section 1.2.

1.3 The Notes shall be in a minimum denomination of $250,000 or integral multiples of $1,000 in excess thereof, will bear such interest rates, if interest bearing, or will be sold at such discount from their face amounts, as shall be agreed upon by the Dealer and the Issuer, shall have a maturity not exceeding 270 days from the date of issuance and may have such terms as are specified in Exhibit C hereto, the Private Placement Memorandum, a pricing supplement, or as otherwise agreed upon by the applicable purchaser and the Issuer. The Notes shall not contain any provision for extension, renewal or automatic "rollover."

1.4 The authentication and issuance of, and payment for, the Notes shall be effected in accordance with the Issuing and Paying Agency Agreement, and the Notes shall be either individual physical certificates or book-entry notes evidenced by one or more master notes (each, a "Master Note") registered in the name of The Depository Trust Company ("DTC") or its nominee, in the form or forms delivered to the Dealer pursuant to Section 3.6 of this Agreement.

1.5 If the Issuer and the Dealer shall agree on the terms of the purchase of any Note by the Dealer or the sale of any Note arranged by the Dealer (including, but not limited to, agreement with respect to the date of issue, purchase price, principal amount, maturity and interest rate or interest rate index and margin (in the case of interest-bearing Notes) or discount thereof (in the case of Notes issued on a discount basis), and appropriate compensation for the Dealer's services hereunder) pursuant to this Agreement, the Issuer shall cause such Note to be issued and delivered in accordance with the terms of the Issuing and Paying Agency Agreement and payment for such Note shall be made by the purchaser thereof, either directly or through the Dealer, to the Issuing and Paying Agent, for the account of the Issuer. Except as otherwise agreed, in the event that the Dealer is acting as an agent and a purchaser shall either fail to accept delivery of or make payment for a Note on the date fixed for settlement, the Dealer shall promptly notify the Issuer, and if the Dealer has theretofore paid the Issuer for the Note, the Issuer will promptly return such funds to the Dealer against its return of the Note to the Issuer, in the case of a certificated Note, and upon notice of such failure in the case of a book-entry Note. If such failure occurred for any reason other than default by the Dealer, the Issuer shall reimburse the Dealer on an equitable basis for the Dealer's loss of the use of such funds for the period such funds were credited to the Issuer's account.

1.6 The Dealer and the Issuer hereby establish and agree to observe the following procedures in connection with offers, sales and subsequent resales or other transfers of the Notes:

(a) Offers and sales of the Notes by or through the Dealer shall be made only to: (i) investors reasonably believed by the Dealer to be Qualified Institutional Buyers or Institutional Accredited Investors and (ii) non-bank fiduciaries or agents that will be purchasing Notes for one or more accounts, each of which is reasonably believed by the Dealer to be an Institutional Accredited Investor.

(b) Resales and other transfers of the Notes by the holders thereof shall be made only in accordance with the restrictions in the legend described in clause (e) below.

(c) No general solicitation or general advertising shall be used in connection with the offering of the Notes. Without limiting the generality of the foregoing, without the prior written approval of the other party hereto, neither party shall issue any press release, make any other statement to any member of the press

making reference to the Notes, the offer or sale of the Notes or this Agreement or place or publish any "tombstone" or other advertisement relating to the Notes or the offer or sale thereof. To the extent permitted by applicable securities laws, the Issuer shall (i) omit the name of the Dealer from any publicly available filing by the Issuer that makes reference to the Notes, the offer or sale of the Notes or this Agreement, (ii) not include a copy of this Agreement in any such filing or as an exhibit thereto, and (iii) shall redact the Dealer's name and any contact or other information that could identify the Dealer from any agreement or other information included in such filing.

(d) No sale of Notes to any one purchaser shall be for less than $250,000 principal or face amount, and no Note shall be issued in a smaller principal or face amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom such purchaser is acting must purchase at least $250,000 principal or face amount of Notes.

(e) Offers and sales of the Notes shall be subject to the restrictions described in the legend appearing on Exhibit A hereto. A legend substantially to the effect of such Exhibit A shall appear as part of the Private Placement Memorandum used in connection with offers and sales of Notes hereunder, as well as on each individual certificate representing a Note and each Master Note representing book-entry Notes offered and sold pursuant to this Agreement.

(f) The Dealer shall furnish or shall have furnished to each purchaser of Notes for which it has acted as the Dealer a copy of the then-current Private Placement Memorandum unless such purchaser has previously received a copy of the Private Placement Memorandum as then in effect. The Private Placement Memorandum shall expressly state that any person to whom Notes are offered shall have an opportunity to ask questions of, and receive information from, the Issuer and the Dealer and shall provide the names, addresses and telephone numbers of the persons from whom information regarding the Issuer may be obtained.

(g) The Issuer agrees, for the benefit of the Dealer and each of the holders and prospective purchasers from time to time of the Notes that, if at any time the Issuer shall not be subject to Section 13 or 15(d) of the Exchange Act, the Issuer will furnish, upon request and at its expense, to the Dealer and to holders and prospective purchasers of Notes information required by Rule 144A(d)(4)(i) in compliance with Rule 144A(d).

(h) In the event that any Note offered or to be offered by the Dealer would be ineligible for resale under Rule 144A, the Issuer shall immediately notify the Dealer (by telephone, confirmed in writing) of such fact and shall promptly prepare and deliver to the Dealer an amendment or supplement to the Private Placement Memorandum describing the Notes that are ineligible, the reason for such ineligibility and any other relevant information relating thereto.

(i) The Issuer represents that it is not currently issuing commercial paper in the United States market in reliance upon the exemption provided by Section 3(a)(3) of the Securities Act. The Issuer agrees that, if it shall issue commercial paper after the date hereof in reliance upon such exemption (a) the proceeds from the sale of the Notes will be segregated from the proceeds of the sale of any such commercial paper by being placed in a separate account; (b) the Issuer will institute appropriate corporate procedures to ensure that the offers and sales of notes issued by the Issuer pursuant to the Section 3(a)(3) exemption are not integrated with offerings and sales of Notes hereunder; and (c) the Issuer will comply with each of the requirements of Section 3(a)(3) of the Securities Act in selling commercial paper or other short-term debt securities other than the Notes in the United States.

1.7 The Issuer hereby represents and warrants to the Dealer, in connection with offers, sales and resales of Notes, as follows:

(a) The Issuer hereby confirms to the Dealer that (except as permitted by Section 1.6(i)) within the preceding six months neither the Issuer nor any person other than the Dealer, the other dealers referred to in Section 1.2 hereof or Deutsche Bank Securities Inc. acting on behalf of the Issuer has offered or sold any Notes, or any substantially similar security of the Issuer, to, or solicited offers to buy any such security from, any person other than the Dealer or the other dealers referred to in Section 1.2 hereof. The Issuer also agrees that (except as permitted by Section 1.6(i)), as long as the Notes are being offered for sale by the Dealer and the other dealers referred to in Section 1.2 hereof as contemplated hereby and until at least six months after the offer of Notes hereunder has been terminated, neither the Issuer nor any person other than the Dealer or the other dealers referred to in Section 1.2 hereof (except as contemplated by Section 1.2 hereof) will offer the Notes or any substantially similar security of the Issuer for sale to, or solicit offers to buy any such security from, any person other than the Dealer or the other dealers referred to in Section 1.2 hereof, it being understood that such agreement is made with a view to bringing the offer and sale of the Notes within the exemption provided by Section 4(a)(2) of the Securities Act and shall survive any termination of this Agreement. The Issuer hereby represents and warrants that it has not taken or omitted to take, and will not take or omit to take, any action that would cause the offering and sale of Notes hereunder to be integrated with any other offering of securities, whether such offering is made by the Issuer or some other party or parties.

(b) The Issuer represents and agrees that the proceeds of the sale of the Notes are not currently contemplated to be used for the purpose of buying, carrying or trading securities within the meaning of Regulation T and the interpretations thereunder by the Board of Governors of the Federal Reserve System. In the event that the Issuer determines to use such proceeds for the purpose of buying, carrying or trading securities, whether in connection with an acquisition of

another company or otherwise, the Issuer shall give the Dealer at least five Business Days' prior written notice to that effect. The Issuer shall also give the Dealer prompt notice of the actual date that it commences to purchase securities with the proceeds of the Notes. Thereafter, in the event that the Dealer purchases Notes as principal and does not resell such Notes on the day of such purchase, to the extent necessary to comply with Regulation T and the interpretations thereunder, the Dealer will sell such Notes either (i) only to offerees it reasonably believes to be Qualified Institutional Buyers or to Qualified Institutional Buyers it reasonably believes are acting for other Qualified Institutional Buyers, in each case in accordance with Rule 144A or (ii) in a manner which would not cause a violation of Regulation T and the interpretations thereunder.

2. Representations and Warranties of Issuer.

The Issuer represents and warrants that:

2.1 The Issuer is a limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all the requisite power and authority to execute, deliver and perform its obligations under the Notes, this Agreement and the Issuing and Paying Agency Agreement.

2.2 This Agreement and the Issuing and Paying Agency Agreement have been duly authorized, executed and delivered by the Issuer and constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), and except as rights to indemnity and contribution may be limited by federal or state law.

2.3 The Notes have been duly authorized, and when issued as provided in the Issuing and Paying Agency Agreement, will be duly and validly issued and will constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

2.4 The offer and sale of the Notes in the manner contemplated hereby do not require registration of the Notes under the Securities Act, pursuant to the exemption from registration contained in Section 4(a)(2) thereof, and no indenture in respect of the Notes is required to be qualified under the Trust Indenture Act of 1939, as amended.

2.5 The Notes will rank at least pari passu with all other unsecured and unsubordinated indebtedness of the Issuer.

2.6 No consent or action of, or filing or registration with, any governmental or public regulatory body or authority, including the SEC, is required to authorize, or is otherwise required on the part of the Issuer in connection with the execution, delivery or performance of, this Agreement, the Notes or the Issuing and Paying Agency Agreement, except as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Notes.

2.7 Neither the execution and delivery of this Agreement and the Issuing and Paying Agency Agreement, nor the issuance of the Notes in accordance with the Issuing and Paying Agency Agreement, nor the fulfillment of or compliance with the terms and provisions hereof or thereof by the Issuer, will (i) result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer, which mortgage, lien, charge or encumbrance would have a material adverse effect on the consolidated financial position or consolidated results of operations of the Issuer, or (ii) violate or result in a breach or a default under any of the terms of the Issuer's limited partnership certificate or agreement, or (iii) violate or result in a breach or a default under any of the terms of any contract or instrument to which the Issuer is a party or by which it or its property is bound, or any law or regulation, or any order, writ, injunction or decree of any court or government instrumentality, to which the Issuer is subject or by which it or its property is bound, which violation, breach or default might have a material adverse effect on the consolidated financial position or consolidated results of operations of the Issuer or the ability of the Issuer to perform its obligations under this Agreement, the Notes or the Issuing and Paying Agency Agreement.

2.8 Other than as may be set forth or contemplated in the Company Information, there are no legal or governmental proceedings pending to which the Issuer or any of its subsidiaries is a party or of which any property of the Issuer or any of its subsidiaries is the subject, which, if determined adversely to the Issuer or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on the consolidated financial position or consolidated results of operations of the Issuer or the ability of the Issuer to perform its obligations under this Agreement, the Notes or the Issuing and Paying Agency Agreement; and, to the best of the Issuer's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

2.9 The Issuer is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

2.10 Neither the Private Placement Memorandum nor the Company Information, taken as a whole, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.11 Neither the Issuer, nor any of its subsidiaries, nor, to the knowledge of the Issuer and its subsidiaries, any director, officer, employee or agent thereof, is an individual or entity, or is controlled by a person that is, currently the subject of any Sanctions, nor is the Issuer or any subsidiary located, organized or resident in a Designated Jurisdiction. The Issuer and its subsidiaries have instituted and maintained policies and procedures designed to promote and achieve compliance with applicable Sanctions.

2.12 The Issuer and its subsidiaries have conducted their businesses in compliance with applicable Anti-Corruption Laws in all material respects and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

2.13 Each (a) issuance of Notes by the Issuer hereunder and (b) amendment or supplement of the Private Placement Memorandum shall be deemed a representation and warranty by the Issuer to the Dealer, as of the date thereof, that, both before and after giving effect to such issuance and after giving effect to such amendment or supplement, (i) the representations and warranties given by the Issuer set forth in this Section 2 remain true and correct on and as of such date as if made on and as of such date, (ii) in the case of an issuance of Notes, the Notes being issued on such date have been duly and validly issued and constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and (iii) in the case of an issuance of Notes, since the date of the most recent Private Placement Memorandum, there has been no material adverse change in the consolidated financial position or consolidated results of operations of the Issuer which has not been disclosed to the Dealer in writing and (iv) the Issuer is not in default of any of its obligations hereunder, under the Notes or the Issuing and Paying Agency Agreement.

3. Covenants and Agreements of Issuer.

The Issuer covenants and agrees that:

3.1 The Issuer will give the Dealer prompt notice (but in any event prior to any subsequent issuance of Notes hereunder) of any amendment to, modification of or waiver with respect to, the Notes or the Issuing and Paying Agency Agreement, including a complete copy of any such amendment, modification or waiver.

3.2 The Issuer shall, whenever there shall occur any adverse change in the consolidated financial position or consolidated results of operations of the Issuer or any adverse development or occurrence in relation to the Issuer that, in each case, would be material to holders of the Notes or potential holders of the Notes (including any downgrading or receipt of any notice of intended or potential

downgrading or any review for potential change in the rating accorded any of the Issuer's securities by any nationally recognized statistical rating organization which has published a rating of the Notes), promptly, and in any event prior to any subsequent issuance of Notes hereunder, notify the Dealer (by telephone, confirmed in writing) of such change, development or occurrence.

3.3 The Issuer, subject to compliance with any applicable confidentiality restrictions, shall from time to time furnish to the Dealer such information as the Dealer may reasonably request, including, without limitation, any press releases or material provided by the Issuer to any national securities exchange or rating agency, regarding (i) the Issuer's operations and financial condition, (ii) the due authorization and execution of the Notes and (iii) the Issuer's ability to pay the Notes as they mature.

3.4 The Issuer will take all such action as the Dealer may reasonably request to ensure that each offer and each sale of the Notes will comply with any applicable state Blue Sky laws; provided, however, that the Issuer shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

3.5 The Issuer will not be in default of any of its obligations hereunder, under the Notes or under the Issuing and Paying Agency Agreement, at any time that any of the Notes are outstanding.

3.6 The Issuer shall not issue Notes hereunder until the Dealer shall have received (a) an opinion of counsel to the Issuer, addressed to the Dealer, reasonably satisfactory in form and substance to the Dealer, (b) a copy of the executed Issuing and Paying Agency Agreement as then in effect, (c) a copy of resolutions adopted by the Board of Directors or duly authorized committee thereof of the general partner of the Issuer, reasonably satisfactory in form and substance to the Dealer and certified by the Secretary or similar officer of the Issuer, authorizing execution and delivery by the Issuer of this Agreement, the Issuing and Paying Agency Agreement and the Notes and consummation by the Issuer of the transactions contemplated hereby and thereby, (d) a certificate of the secretary, assistant secretary or other designated officer of the Issuer certifying as to (i) the Issuer's organizational documents, and attaching true, correct and complete copies thereof, (ii) the Issuer's representations and warranties being true and correct in all material respects, and (iii) the incumbency of the officers of the Issuer authorized to execute and deliver this Agreement, the Issuing and Paying Agency Agreement and the Notes, and take other action on behalf of the Issuer in connection with the transactions contemplated thereby, (e) prior to the issuance of any book-entry Notes represented by a master note registered in the name of DTC or its nominee, a copy of the executed Letter of Representations among the Issuer,

the Issuing and Paying Agent and DTC and of the executed master note, (f) prior to the issuance of any Notes in physical form, a copy of such form (unless attached to this Agreement or the Issuing and Paying Agency Agreement), and (g) such other certificates, opinions, letters and documents as the Dealer shall have reasonably requested.

3.7 The Issuer shall reimburse the Dealer for all of the Dealer's documented out-of-pocket expenses related to this Agreement, including expenses incurred in connection with its preparation and negotiation, and the transactions contemplated hereby (including, but not limited to, the printing and distribution of the Private Placement Memorandum), and, if applicable, for the reasonable fees and documented out-of-pocket expenses of the Dealer's counsel.

3.8 The Issuer shall not file a Form D (as referenced in Rule 503 under the Securities Act) at any time in respect of the offer or sale of the Notes.

3.9 The Issuer shall not, and shall not permit its subsidiaries to, use the proceeds of any Notes for the purpose of funding any activities of or business with any individual or entity, or in any Designated Jurisdiction, in any manner that would result in the violation of Sanctions, or in any other manner that will result in a violation of any Sanctions by any party hereto.

3.10 The Issuer shall not use the proceeds of any Notes for the purpose of breaching the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, or other similar legislation in other jurisdictions.

4. Disclosure.

4.1 The Private Placement Memorandum and its contents (other than the Dealer Information) shall be the sole responsibility of the Issuer. The Private Placement Memorandum shall contain a statement expressly offering an opportunity for each prospective purchaser to ask questions of, and receive answers from, the Issuer concerning the offering of Notes and to obtain relevant additional information which the Issuer possesses or can acquire without unreasonable effort or expense.

4.2 The Issuer agrees to promptly furnish the Dealer the Company Information as it becomes available; provided, however, that so long as such Company Information is available on the Issuer's website, such information shall be deemed to have been furnished when such information first becomes available on the Issuer's website.

4.3 (a) The Issuer further agrees to notify the Dealer promptly upon the occurrence of any event relating to or affecting the Issuer that would cause the Company Information then in existence, taken as a whole, to include an untrue statement of a material fact or to omit to state a material fact necessary in order to make the

statements contained therein, in light of the circumstances under which they are made, not misleading.

(b) In the event that the Issuer gives the Dealer notice pursuant to Section 4.3(a) and (i) the Issuer is selling Notes in accordance with Section 1, (ii) the Dealer notifies the Issuer that it then has Notes it is holding in inventory or (iii) any Notes are otherwise outstanding, the Issuer agrees promptly to supplement or amend the Private Placement Memorandum so that the Private Placement Memorandum, as amended or supplemented, shall not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Issuer shall make such supplement or amendment available to the Dealer.

(c) In the event that (i) the Issuer gives the Dealer notice pursuant to Section 4.3(a), (ii) (A) the Issuer is selling Notes in accordance with Section 1, (B) the Dealer does not notify the Issuer that it is then holding Notes in inventory and (C) no Notes are otherwise outstanding, and (iii) the Issuer chooses not to promptly amend or supplement the Private Placement Memorandum in the manner described in clause (b) above, then all solicitations and sales of Notes shall be suspended until such time as the Issuer has so amended or supplemented the Private Placement Memorandum, and made such amendment or supplement available to the Dealer.

(d) Without limiting the generality of Section 4.3(a), to the extent that the Private Placement Memorandum sets forth financial information of the Issuer (other than financial information included in a report described in clause (i) of the definition of "Company Information" that (i) is incorporated by reference in the Private Placement Memorandum or (ii) the Private Placement Memorandum expressly states is being made available to holders and prospective purchasers of the Notes but is not otherwise set forth therein), the Issuer shall review, amend and supplement the Private Placement Memorandum on a periodic basis, but no less than at least once annually, to incorporate current financial information of the Issuer to the extent necessary to ensure that the information provided in the Private Placement Memorandum is accurate and complete.

5. Indemnification and Contribution.

5.1 The Issuer will indemnify and hold harmless the Dealer, each individual, corporation, partnership, trust, association or other entity controlling the Dealer, any affiliate of the Dealer or any such controlling entity and their respective directors, officers, employees, partners, incorporators, shareholders, servants, trustees and agents (hereinafter the "Indemnitees") against any and all liabilities, penalties, suits, causes of action, losses, damages, claims, costs and expenses (including, without limitation, fees and disbursements of counsel) or judgments of whatever kind or nature (each a "Claim"), imposed upon, incurred by or asserted

against the Indemnitees arising out of or based upon (i) any allegation that the Private Placement Memorandum, the Company Information or any information provided by the Issuer to the Dealer included (as of any relevant time) or includes an untrue statement of a material fact or omitted (as of any relevant time) or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or (ii) the breach by the Issuer of any agreement, covenant or representation made in or pursuant to this Agreement. This indemnification shall not apply to the extent that the Claim arises out of or is based upon Dealer Information.

5.2 Provisions relating to claims made for indemnification under this Section 5 are set forth in Exhibit B to this Agreement.

5.3 In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 5 is held to be unavailable or insufficient to hold harmless the Indemnitees, although applicable in accordance with the terms of this Section 5, the Issuer shall contribute to the aggregate costs incurred by the Dealer in connection with any Claim in the proportion of the respective economic interests of the Issuer and the Dealer; provided, however, that such contribution by the Issuer shall be in an amount such that the aggregate costs incurred by the Dealer do not exceed the aggregate of the commissions and fees earned by the Dealer hereunder with respect to the issue or issues of Notes to which such Claim relates. The respective economic interests shall be calculated by reference to the aggregate proceeds to the Issuer of the Notes issued hereunder and the aggregate commissions and fees earned by the Dealer hereunder.

6. Definitions.

6.1 “Anti-Corruption Laws” shall mean all laws, rules and regulations of any jurisdiction applicable to the Issuer or any of its subsidiaries from time to time concerning or relating to money laundering, bribery or corruption.

6.2 “Business Day” shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

6.3 “Claim” shall have the meaning set forth in Section 5.1.

6.4 “Company Information” at any given time shall mean the Private Placement Memorandum together with, to the extent applicable, (i) the Issuer’s most recent report on Form 10-K filed with the SEC and each report on Form 10-Q or 8-K filed by the Issuer with the SEC since the most recent Form 10-K, (ii) the Issuer’s most recent annual audited financial statements and each interim financial statement or report prepared subsequent thereto, if not included in item (i) above, (iii) the Issuer’s other publicly available recent reports, including, but not limited to, any publicly available filings or reports provided to its unitholders, (iv) any

other information or disclosure prepared pursuant to Section 4.3 hereof and (v) any information prepared or approved by the Issuer for dissemination to investors or potential investors in the Notes.

6.5 “Current Issuing and Paying Agent” shall have the meaning set forth in Section 7.9(i).

6.6 “Dealer Information” shall mean material concerning the Dealer provided by the Dealer in writing expressly for inclusion in the Private Placement Memorandum.

6.7 “Designated Jurisdiction” shall mean any country or territory to the extent that such country or territory itself is the subject of any Sanction (at the date hereof, Cuba, Iran, North Korea, Sudan and Syria).

6.8 “Exchange Act” shall mean the U.S. Securities Exchange Act of 1934, as amended.

6.9 “Indemnitee” shall have the meaning set forth in Section 5.1.

6.10 “Institutional Accredited Investor” shall mean an institutional investor that is an accredited investor within the meaning of Rule 501 under the Securities Act and that has such knowledge and experience in financial and business matters that it is capable of evaluating and bearing the economic risk of an investment in the Notes, including, but not limited to, a bank, as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution, as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity.

6.11 “Issuing and Paying Agency Agreement” shall mean the issuing and paying agency agreement described on the cover page of this Agreement, or any replacement thereof, as such agreement may be amended or supplemented from time to time.

6.12 “Issuing and Paying Agent” shall mean the party designated as such on the cover page of this Agreement, or any successor thereto or replacement thereof, as issuing and paying agent under the Issuing and Paying Agency Agreement.

6.13 “Non-bank fiduciary or agent” shall mean a fiduciary or agent other than (a) a bank, as defined in Section 3(a)(2) of the Securities Act, or (b) a savings and loan association, as defined in Section 3(a)(5)(A) of the Securities Act.

6.14 “Outstanding Notes” shall have the meaning set forth in Section 7.9(ii).

6.15 “Private Placement Memorandum” shall mean offering materials prepared in accordance with Section 4 (including materials referred to therein or incorporated by reference therein, if any) provided to purchasers and prospective purchasers of the Notes, and shall include amendments and supplements thereto which may be

prepared from time to time in accordance with this Agreement (other than any amendment or supplement that has been completely superseded by a later amendment or supplement).

6.16 "Qualified Institutional Buyer" shall have the meaning assigned to that term in Rule 144A under the Securities Act.

6.17 "Replacement" shall have the meaning set forth in Section 7.9(i).

6.18 "Replacement Issuing and Paying Agent" shall have the meaning set forth in Section 7.9(i).

6.19 "Replacement Issuing and Paying Agency Agreement" shall have the meaning set forth in Section 7.9(i).

6.20 "Rule 144A" shall mean Rule 144A under the Securities Act.

6.21 "Sanction(s)" shall mean, with respect to any person, any sanction administered or enforced by the United States Government (including without limitation, the Office of Foreign Assets Control of the United States Department of the Treasury), the United Nations Security Council, the European Union or Her Majesty's Treasury to the extent applicable to such person.

6.22 "SEC" shall mean the U.S. Securities and Exchange Commission.

6.23 "Securities Act" shall mean the U.S. Securities Act of 1933, as amended.

7. General

7.1 Unless otherwise expressly provided herein, all notices under this Agreement to parties hereto shall be in writing and shall be effective when received at the address of the respective party set forth in the Addendum to this Agreement.

7.2 This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflict of laws provisions.

7.3 (a) The Issuer and the Dealer agree that any suit, action or proceeding brought by the Issuer against the Dealer or by the Dealer against the Issuer in connection with or arising out of this Agreement or the Notes or the offer and sale of the Notes shall be brought solely in the United States federal courts located in the Borough of Manhattan or the courts of the State of New York located in the Borough of Manhattan. EACH OF THE DEALER AND THE ISSUER WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(b) Each party hereto hereby irrevocably accepts and submits to the non-exclusive jurisdiction of each of the aforesaid courts in personam, generally and unconditionally, for itself and in respect of its properties, assets and revenues, with respect to any suit, action or proceeding in connection with or arising out of this Agreement or the Notes or the offer and sale of the Notes.

7.4 This Agreement may be terminated, at any time, by the Issuer, upon thirty days' prior notice to such effect to the Dealer, or by the Dealer upon thirty days' prior notice to such effect to the Issuer. Any such termination, however, shall not affect the obligations of the Issuer under Sections 3.7, 5 and 7.3 hereof or the respective representations, warranties, agreements, covenants, rights or responsibilities of the parties made or arising prior to the termination of this Agreement.

7.5 This Agreement is not assignable by either party hereto without the written consent of the other party; provided, however, that, the Dealer may assign its rights and obligations under this Agreement to any affiliate of the Dealer. The Dealer agrees to notify the Issuer of any such assignment promptly in writing and will use its reasonable best efforts to do so prior to the assignment taking effect.

7.6 This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

7.7 This Agreement is for the exclusive benefit of the parties hereto, and their respective permitted successors and assigns hereunder, and shall not be deemed to give any legal or equitable right, remedy or claim to any other person whatsoever.

7.8 The Issuer acknowledges and agrees that (i) purchases and sales, or placements, of the Notes pursuant to this Agreement, including the determination of any prices for the Notes and Dealer compensation, are arm's-length commercial transactions between the Issuer and the Dealer, (ii) in connection therewith and with the process leading to such transactions, the Dealer is acting solely as a principal and not the agent (except to the extent explicitly set forth herein) or fiduciary of the Issuer or any of its affiliates, (iii) the Dealer has not assumed an advisory or fiduciary responsibility in favor of the Issuer or any of its affiliates with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether the Dealer has advised or is currently advising the Issuer or any of its affiliates on other matters) or any other obligation to the Issuer or any of its affiliates except the obligations expressly set forth in this Agreement, (iv) the Issuer is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement, (v) the Dealer and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer and that the Dealer has no obligation to disclose any of those interests by virtue of any advisory or fiduciary relationship, (vi) the Dealer has not provided any legal, accounting, regulatory or tax advice with respect to the transactions contemplated hereby, and (vii) the

Issuer has consulted its own legal and financial advisors to the extent it deemed appropriate. The Issuer agrees that it will not claim that the Dealer has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Issuer in connection with such transactions or the process leading thereto. Any review by the Dealer of the Issuer, the transactions contemplated hereby or other matters relating to such transactions shall be performed solely for the benefit of the Dealer and shall not be on behalf of the Issuer. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Issuer and the Dealer with respect to the subject matter hereof. The Issuer hereby waives and releases, to the fullest extent permitted by law, any claims the Issuer may have against the Dealer with respect to any breach or alleged breach of fiduciary duty.

7.9 (i) The parties hereto agree that the Issuer may, in accordance with the terms of this Section 7.9, from time to time replace the party which is then acting as Issuing and Paying Agent (the "Current Issuing and Paying Agent") with another party (such other party, the "Replacement Issuing and Paying Agent"), and enter into an agreement with the Replacement Issuing and Paying Agent covering the provision of issuing and paying agency functions in respect of the Notes by the Replacement Issuing and Paying Agent (the "Replacement Issuing and Paying Agency Agreement") (any such replacement, a "Replacement").

(ii) From and after the effective date of any Replacement, (A) to the extent that the Issuing and Paying Agency Agreement provides that the Current Issuing and Paying Agent will continue to act in respect of Notes outstanding as of the effective date of such Replacement (the "Outstanding Notes"), then (i) the "Issuing and Paying Agent" for the Notes shall be deemed to be the Current Issuing and Paying Agent, in respect of the Outstanding Notes, and the Replacement Issuing and Paying Agent, in respect of Notes issued on or after the Replacement, (ii) all references to the "Issuing and Paying Agent" hereunder shall be deemed to refer to the Current Issuing and Paying Agent in respect of the Outstanding Notes, and the Replacement Issuing and Paying Agent in respect of Notes issued on or after the Replacement, and (iii) all references to the "Issuing and Paying Agency Agreement" hereunder shall be deemed to refer to the existing Issuing and Paying Agency Agreement, in respect of the Outstanding Notes, and the Replacement Issuing and Paying Agency Agreement, in respect of Notes issued on or after the Replacement; and (B) to the extent that the Issuing and Paying Agency Agreement does not provide that the Current Issuing and Paying Agent will continue to act in respect of the Outstanding Notes, then (i) the "Issuing and Paying Agent" for the Notes shall be deemed to be the Replacement Issuing and Paying Agent, (ii) all references to the "Issuing and Paying Agent" hereunder shall be deemed to refer to the Replacement Issuing and Paying Agent, and (iii) all references to the "Issuing and Paying Agency Agreement" hereunder shall be deemed to refer to the Replacement Issuing and Paying Agency Agreement.

(iii) From and after the effective date of any Replacement, the Issuer shall not issue any Notes hereunder unless and until the Dealer shall have received: (a) a copy of the executed Replacement Issuing and Paying Agency Agreement, (b) a copy of the executed Letter of Representations among the Issuer, the Replacement Issuing and Paying Agent and DTC, (c) a copy of the executed Master Note authenticated by the Replacement Issuing and Paying Agent and registered in the name of DTC or its nominee, (d) an amendment or supplement to the Private Placement Memorandum describing the Replacement Issuing and Paying Agent as the Issuing and Paying Agent for the Notes, and reflecting any other changes thereto necessary in light of the Replacement so that the Private Placement Memorandum, as amended or supplemented, satisfies the requirements of this Agreement, and (e) a legal opinion of counsel to the Issuer, addressed to the Dealer, in form and substance reasonably satisfactory to the Dealer, as to (x) the due authorization, delivery, validity and enforceability of Notes issued pursuant to the Replacement Issuing and Paying Agency Agreement, and (y) such other matters as the Dealer may reasonably request.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

AllianceBernstein L.P., as Issuer	**Credit Suisse Securities (USA) LLC, as Dealer**
By: /s/ Raymond Carli	By: /s/ Robert J. Little
Name: Raymond Carli	Name: Robert J. Little
Title: SVP and Treasurer	Title: Managing Director

Addendum

The following additional clauses shall apply to the Agreement and be deemed a part thereof.

1. The other dealers referred to in clause (b) of Section 1.2 of the Agreement are Citigroup Global Markets Inc. and Credit Suisse securities (USA) LLC.

2. The addresses of the respective parties for purposes of notices under Section 7.1 are as follows:

   For the Issuer:

   Address: AllianceBernstein L.P., One North Lexington Avenue, White Plains NY 10601

   Attention: Treasury Department

   Telephone number: (212) 823-3322

   Fax number: (646) 452-9270

   For the Dealer:

   Address: Merrill Lynch, Pierce, Fenner & Smith Incorporated, Short Term Fixed Income Organization, One Brant Park, 8th Floor, New York, NY 10036

   Attention: Robert Little

   Telephone number: (646) 855-9781

   Fax number: (404) 720-1652

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Exhibit A

Form of Legend for Private Placement Memorandum and Notes

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY OTHER APPLICABLE SECURITIES LAW, AND OFFERS AND SALES THEREOF MAY BE MADE ONLY IN COMPLIANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER WILL BE DEEMED TO REPRESENT THAT (I) IT HAS BEEN AFFORDED AN OPPORTUNITY TO INVESTIGATE MATTERS RELATING TO ALLIANCEBERNSTEIN L.P. (THE "ISSUER") AND THE NOTES, (II) IT IS NOT ACQUIRING SUCH NOTE WITH A VIEW TO ANY DISTRIBUTION THEREOF AND (III) IT IS EITHER (A)(1) AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a) UNDER THE ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") AND (2)(i) PURCHASING NOTES FOR ITS OWN ACCOUNT, (ii) A BANK (AS DEFINED IN SECTION 3(a)(2) OF THE ACT) OR A SAVINGS AND LOAN ASSOCIATION OR OTHER INSTITUTION (AS DEFINED IN SECTION 3(a)(5)(A) OF THE ACT) ACTING IN ITS INDIVIDUAL OR FIDUCIARY CAPACITY OR (iii) A FIDUCIARY OR AGENT (OTHER THAN A U.S. BANK OR SAVINGS AND LOAN ASSOCIATION OR OTHER SUCH INSTITUTION) PURCHASING NOTES FOR ONE OR MORE ACCOUNTS EACH OF WHICH ACCOUNTS IS SUCH AN INSTITUTIONAL ACCREDITED INVESTOR; OR (B) A QUALIFIED INSTITUTIONAL BUYER ("QIB") WITHIN THE MEANING OF RULE 144A UNDER THE ACT THAT IS ACQUIRING NOTES FOR ITS OWN ACCOUNT OR FOR ONE OR MORE ACCOUNTS, EACH OF WHICH ACCOUNTS IS A QIB; AND THE PURCHASER ACKNOWLEDGES THAT IT IS AWARE THAT THE SELLER MAY RELY UPON THE EXEMPTION FROM THE REGISTRATION PROVISIONS OF SECTION 5 OF THE ACT PROVIDED BY RULE 144A. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER THEREOF SHALL ALSO BE DEEMED TO AGREE THAT ANY RESALE OR OTHER TRANSFER THEREOF WILL BE MADE ONLY (A) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE ACT, EITHER (1) TO THE ISSUER OR TO A PLACEMENT AGENT DESIGNATED BY THE ISSUER AS A PLACEMENT AGENT FOR THE NOTES (COLLECTIVELY, THE "PLACEMENT AGENTS"), NONE OF WHICH SHALL HAVE ANY OBLIGATION TO ACQUIRE SUCH NOTE, (2) THROUGH A PLACEMENT AGENT TO AN INSTITUTIONAL ACCREDITED INVESTOR OR A QIB, OR (3) TO A QIB IN A TRANSACTION THAT MEETS THE REQUIREMENTS OF RULE 144A AND (B) IN MINIMUM AMOUNTS OF $250,000.

Exhibit B

Further Provisions Relating to Indemnification

(a) The Issuer agrees to reimburse each Indemnitee for all expenses (including reasonable fees and disbursements of internal and external counsel) as they are incurred by it in connection with investigating or defending any loss, claim, damage, liability or action in respect of which indemnification may be sought under Section 5 of the Agreement (whether or not it is a party to any such proceedings).

(b) Promptly after receipt by an Indemnitee of notice of the existence of a Claim, such Indemnitee will, if a claim in respect thereof is to be made against the Issuer, notify the Issuer in writing of the existence thereof; provided that (i) the omission so to notify the Issuer will not relieve the Issuer from any liability which it may have hereunder unless and except to the extent it did not otherwise learn of such Claim and such failure results in the forfeiture by the Issuer of substantial rights and defenses, and (ii) the omission so to notify the Issuer will not relieve it from liability which it may have to an Indemnitee otherwise than on account of this indemnity agreement. In case any such Claim is made against any Indemnitee and it notifies the Issuer of the existence thereof, the Issuer will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the Indemnitee, to assume the defense thereof, with counsel reasonably satisfactory to such Indemnitee; provided that if the defendants in any such Claim include both the Indemnitee and the Issuer, and the Indemnitee shall have concluded that there may be legal defenses available to it which are different from or additional to those available to the Issuer, the Issuer shall not have the right to direct the defense of such Claim on behalf of such Indemnitee, and the Indemnitee shall have the right to select separate counsel to assert such legal defenses on behalf of such Indemnitee. Upon receipt of notice from the Issuer to such Indemnitee of the Issuer’s election so to assume the defense of such Claim and approval by the Indemnitee of counsel, the Issuer will not be liable to such Indemnitee for expenses incurred thereafter by the Indemnitee in connection with the defense thereof (other than reasonable costs of investigation) unless (i) the Indemnitee shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the Issuer shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel in the jurisdiction in which any Claim is brought), approved by the Dealer, representing the Indemnitee who is party to such Claim), (ii) the Issuer shall not have employed counsel reasonably satisfactory to the Indemnitee to represent the Indemnitee within a reasonable time after notice of existence of the Claim or (iii) the Issuer has authorized in writing the employment of counsel for the Indemnitee. The indemnity, reimbursement and contribution obligations of the Issuer hereunder shall be in addition to any other liability the Issuer may otherwise have to an Indemnitee and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Issuer and any Indemnitee. The Issuer agrees that without the Dealer’s prior written consent, it will not settle, compromise or consent to the entry of any judgment in any Claim in respect of which indemnification may be

sought under the indemnification provision of the Agreement (whether or not the Dealer or any other Indemnitee is an actual or potential party to such Claim), unless such settlement, compromise or consent (i) includes an unconditional release of each Indemnitee from all liability arising out of such Claim and (ii) does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of any Indemnitee.

Exhibit C

Statement of Terms for Interest – Bearing Commercial Paper Notes of AllianceBernstein L.P.

THE PROVISIONS SET FORTH BELOW ARE QUALIFIED TO THE EXTENT APPLICABLE BY THE TRANSACTION SPECIFIC [PRICING] [PRIVATE PLACEMENT MEMORANDUM] SUPPLEMENT (THE "SUPPLEMENT") (IF ANY) SENT TO EACH PURCHASER AT THE TIME OF THE TRANSACTION.

1. General. (a) The obligations of the Issuer to which these terms apply (each a "Note") are represented by one or more Master Notes (each, a "Master Note") issued in the name of (or of a nominee for) The Depository Trust Company ("DTC"), which Master Note includes the terms and provisions for the Issuer's Interest-Bearing Commercial Paper Notes that are set forth in this Statement of Terms, since this Statement of Terms constitutes an integral part of the Underlying Records as defined and referred to in the Master Note.

(b) "Business Day" means any day other than a Saturday or Sunday that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, executive order or regulation to be closed in New York City and, with respect to LIBOR Notes (as defined below) is also a London Business Day. "London Business Day" means, a day, other than a Saturday or Sunday, on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

2. Interest. (a) Each Note will bear interest at a fixed rate (a "Fixed Rate Note") or at a floating rate (a "Floating Rate Note").

(b) The Supplement sent to each holder of such Note will describe the following terms: (i) whether such Note is a Fixed Rate Note or a Floating Rate Note and whether such Note is an Original Issue Discount Note (as defined below); (ii) the date on which such Note will be issued (the "Issue Date"); (iii) the Stated Maturity Date (as defined below); (iv) if such Note is a Fixed Rate Note, the rate per annum at which such Note will bear interest, if any, and the Interest Payment Dates; (v) if such Note is a Floating Rate Note, the Base Rate, the Index Maturity, the Interest Reset Dates, the Interest Payment Dates and the Spread and/or Spread Multiplier, if any (all as defined below), and any other terms relating to the particular method of calculating the interest rate for such Note; and (vi) any other terms applicable specifically to such Note. "Original Issue Discount Note" means a Note which has a stated redemption price at the Stated Maturity Date that exceeds its Issue Price by more than a specified de minimis amount and which the Supplement indicates will be an "Original Issue Discount Note".

(c) Each Fixed Rate Note will bear interest from its Issue Date at the rate per annum specified in the Supplement until the principal amount thereof is paid or made available for payment. Interest on each Fixed Rate Note will be payable on the dates specified in the Supplement (each an "Interest Payment Date" for a Fixed Rate Note) and on the

Maturity Date (as defined below). Interest on Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months.

If any Interest Payment Date or the Maturity Date of a Fixed Rate Note falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest will be payable on the next succeeding Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

(d) The interest rate on each Floating Rate Note for each Interest Reset Period (as defined below) will be determined by reference to an interest rate basis (a "Base Rate") plus or minus a number of basis points (one basis point equals one-hundredth of a percentage point) (the "Spread"), if any, and/or multiplied by a certain percentage (the "Spread Multiplier"), if any, until the principal thereof is paid or made available for payment. The Supplement will designate which of the following Base Rates is applicable to the related Floating Rate Note: (a) the CD Rate (a "CD Rate Note"), (b) the Commercial Paper Rate (a "Commercial Paper Rate Note"), (c) the Federal Funds Rate (a "Federal Funds Rate Note"), (d) LIBOR (a "LIBOR Note"), (e) the Prime Rate (a "Prime Rate Note"), (f) the Treasury Rate (a "Treasury Rate Note") or (g) such other Base Rate as may be specified in such Supplement.

The rate of interest on each Floating Rate Note will be reset daily, weekly, monthly, quarterly or semi-annually (the "Interest Reset Period"). The date or dates on which interest will be reset (each an "Interest Reset Date") will be, unless otherwise specified in the Supplement, in the case of Floating Rate Notes which reset daily, each Business Day, in the case of Floating Rate Notes (other than Treasury Rate Notes) that reset weekly, the Wednesday of each week; in the case of Treasury Rate Notes that reset weekly, the Tuesday of each week; in the case of Floating Rate Notes that reset monthly, the third Wednesday of each month; in the case of Floating Rate Notes that reset quarterly, the third Wednesday of March, June, September and December; and in the case of Floating Rate Notes that reset semiannually, the third Wednesday of the two months specified in the Supplement. If any Interest Reset Date for any Floating Rate Note is not a Business Day, such Interest Reset Date will be postponed to the next day that is a Business Day, except that in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day. Interest on each Floating Rate Note will be payable monthly, quarterly or semiannually (the "Interest Payment Period") and on the Maturity Date. Unless otherwise specified in the Supplement, and except as provided below, the date or dates on which interest will be payable (each an "Interest Payment Date" for a Floating Rate Note) will be, in the case of Floating Rate Notes with a monthly Interest Payment Period, on the third Wednesday of each month; in the case of Floating Rate Notes with a quarterly Interest Payment Period, on the third Wednesday of March, June, September and December; and in the case of Floating Rate Notes with a semiannual Interest Payment Period, on the third Wednesday of the two months specified in the Supplement. In addition, the Maturity Date will also be an Interest Payment Date.

If any Interest Payment Date for any Floating Rate Note (other than an Interest Payment Date occurring on the Maturity Date) would otherwise be a day that is not a Business Day, such Interest Payment Date shall be postponed to the next day that is a Business Day, except that in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Business Day. If the Maturity Date of a Floating Rate Note falls on a day that is not a Business Day, the payment of principal and interest will be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after such maturity.

Interest payments on each Interest Payment Date for Floating Rate Notes will include accrued interest from and including the Issue Date or from and including the last date in respect of which interest has been paid, as the case may be, to, but excluding, such Interest Payment Date. On the Maturity Date, the interest payable on a Floating Rate Note will include interest accrued to, but excluding, the Maturity Date. Accrued interest will be calculated by multiplying the principal amount of a Floating Rate Note by an accrued interest factor. This accrued interest factor will be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. The interest factor (expressed as a decimal) for each such day will be computed by dividing the interest rate applicable to such day by 360, in the cases where the Base Rate is the CD Rate, Commercial Paper Rate, Federal Funds Rate, LIBOR or Prime Rate, or by the actual number of days in the year, in the case where the Base Rate is the Treasury Rate. The interest rate in effect on each day will be (i) if such day is an Interest Reset Date, the interest rate with respect to the Interest Determination Date (as defined below) pertaining to such Interest Reset Date, or (ii) if such day is not an Interest Reset Date, the interest rate with respect to the Interest Determination Date pertaining to the next preceding Interest Reset Date, subject in either case to any adjustment by a Spread and/or a Spread Multiplier.

The “Interest Determination Date” where the Base Rate is the CD Rate or the Commercial Paper Rate will be the second Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is the Federal Funds Rate or the Prime Rate will be the Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is LIBOR will be the second London Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is the Treasury Rate will be the day of the week in which such Interest Reset Date falls when Treasury Bills are normally auctioned. Treasury Bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is held on the following Tuesday or the preceding Friday. If an auction is so held on the preceding Friday, such Friday will be the Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week.

The “Index Maturity” is the period to maturity of the instrument or obligation from which the applicable Base Rate is calculated.

The "Calculation Date," where applicable, shall be the earlier of (i) the tenth calendar day following the applicable Interest Determination Date or (ii) the Business Day preceding the applicable Interest Payment Date or Maturity Date.

All times referred to herein reflect New York City time, unless otherwise specified.

The Issuer shall specify in writing to the Issuing and Paying Agent which party will be the calculation agent (the "Calculation Agent") with respect to the Floating Rate Notes. The Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate which will become effective on the next Interest Reset Date with respect to such Floating Rate Note to the Issuing and Paying Agent as soon as the interest rate with respect to such Floating Rate Note has been determined and as soon as practicable after any change in such interest rate.

All percentages resulting from any calculation on Floating Rate Notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five-one millionths of a percentage point rounded upwards. For example, 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655). All dollar amounts used in or resulting from any calculation on Floating Rate Notes will be rounded, in the case of U.S. dollars, to the nearest cent or, in the case of a foreign currency, to the nearest unit (with one-half cent or unit being rounded upwards).

CD Rate Notes

"CD Rate" means the rate on any Interest Determination Date for negotiable certificates of deposit having the Index Maturity as published by the Board of Governors of the Federal Reserve System (the "FRB") in "Statistical Release H.15(519), Selected Interest Rates" or any successor publication of the FRB ("H.15(519)") under the heading "CDs (Secondary Market)".

If the above rate is not published in H.15(519) by 3:00 p.m. on the Calculation Date, the CD Rate will be the rate on such Interest Determination Date set forth in the daily update of H.15(519), available through the world wide website of the FRB at http://www.federalreserve.gov/releases/h15/Update, or any successor site or publication or other recognized electronic source used for the purpose of displaying the applicable rate ("H.15 Daily Update") under the caption "CDs (Secondary Market)".

If such rate is not published in either H.15(519) or H.15 Daily Update by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the CD Rate to be the arithmetic mean of the secondary market offered rates as of 10:00 a.m. on such Interest Determination Date of three leading nonbank dealers[1] in negotiable U.S. dollar certificates of deposit in New York City selected by the Calculation Agent for negotiable

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[1] Such nonbank dealers referred to in this Statement of Terms may include affiliates of the Dealer.

U.S. dollar certificates of deposit of major United States money center banks of the highest credit standing in the market for negotiable certificates of deposit with a remaining maturity closest to the Index Maturity in the denomination of $5,000,000.

If the dealers selected by the Calculation Agent are not quoting as set forth above, the CD Rate will remain the CD Rate then in effect on such Interest Determination Date.

Commercial Paper Rate Notes

"Commercial Paper Rate" means the Money Market Yield (calculated as described below) of the rate on any Interest Determination Date for commercial paper having the Index Maturity, as published in H.15(519) under the heading "Commercial Paper-Nonfinancial".

If the above rate is not published in H.15(519) by 3:00 p.m. on the Calculation Date, then the Commercial Paper Rate will be the Money Market Yield of the rate on such Interest Determination Date for commercial paper of the Index Maturity as published in H.15 Daily Update under the heading "Commercial Paper-Nonfinancial".

If by 3:00 p.m. on such Calculation Date such rate is not published in either H.15(519) or H.15 Daily Update, then the Calculation Agent will determine the Commercial Paper Rate to be the Money Market Yield of the arithmetic mean of the offered rates as of 11:00 a.m. on such Interest Determination Date of three leading dealers of U.S. dollar commercial paper in New York City selected by the Calculation Agent for commercial paper of the Index Maturity placed for an industrial issuer whose bond rating is "AA," or the equivalent, from a nationally recognized statistical rating organization.

If the dealers selected by the Calculation Agent are not quoting as mentioned above, the Commercial Paper Rate with respect to such Interest Determination Date will remain the Commercial Paper Rate then in effect on such Interest Determination Date.

"Money Market Yield" will be a yield calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal and "M" refers to the actual number of days in the interest period for which interest is being calculated.

Federal Funds Rate Notes

"Federal Funds Rate" means the rate on any Interest Determination Date for federal funds as published in H.15(519) under the heading "Federal Funds (Effective)" and displayed on Reuters Page (as defined below) FEDFUNDS1 (or any other page as may replace the specified page on that service) ("Reuters Page FEDFUNDS1") under the heading EFFECT.

If the above rate does not appear on Reuters Page FEDFUNDS1or is not so published by 3:00 p.m. on the Calculation Date, the Federal Funds Rate will be the rate on such Interest Determination Date as published in H.15 Daily Update under the heading "Federal Funds/(Effective)".

If such rate is not published as described above by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the Federal Funds Rate to be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by each of three leading brokers of Federal Funds transactions in New York City selected by the Calculation Agent prior to 9:00 a.m. on such Interest Determination Date.

If the brokers selected by the Calculation Agent are not quoting as mentioned above, the Federal Funds Rate will remain the Federal Funds Rate then in effect on such Interest Determination Date.

"Reuters Page" means the display on the Reuters 3000 Xtra Service, or any successor service, on the page or pages specified in this Statement of Terms or the Supplement, or any replacement page on that service.

LIBOR Notes

The London Interbank offered rate ("LIBOR") means, with respect to any Interest Determination Date, the rate for deposits in U.S. dollars having the Index Maturity that appears on the Designated LIBOR Page as of 11:00 a.m., London time, on such Interest Determination Date.

If no rate appears, LIBOR will be determined on the basis of the rates at approximately 11:00 a.m., London time, on such Interest Determination Date at which deposits in U.S. dollars are offered to prime banks in the London interbank market by four major banks in such market selected by the Calculation Agent for a term equal to the Index Maturity and in principal amount equal to an amount that in the Calculation Agent's judgment is representative for a single transaction in U.S. dollars in such market at such time (a "Representative Amount"). The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR for such interest period will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in New York City, on such Interest Determination Date by three major banks in New York City, selected by the Calculation

Agent, for loans in U.S. dollars to leading European banks, for a term equal to the Index Maturity and in a Representative Amount; provided, however, that if fewer than three banks so selected by the Calculation Agent are providing such quotations, the then existing LIBOR rate will remain in effect for such Interest Payment Period.

"Designated LIBOR Page" means the display on the Reuters 3000 Xtra Service (or any successor service) on the "LIBOR01" page (or any other page as may replace such page on such service) for the purpose of displaying the London interbank rates of major banks.

Prime Rate Notes

"Prime Rate" means the rate on any Interest Determination Date as published in H.15(519) under the heading "Bank Prime Loan".

If the above rate is not published in H.15(519) prior to 3:00 p.m. on the Calculation Date, then the Prime Rate will be the rate on such Interest Determination Date as published in H.15 Daily Update opposite the caption "Bank Prime Loan".

If the rate is not published prior to 3:00 p.m. on the Calculation Date in either H.15(519) or H.15 Daily Update, then the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen US PRIME1 Page (as defined below) as such bank's prime rate or base lending rate as of 11:00 a.m., on that Interest Determination Date.

If fewer than four such rates referred to above are so published by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by 360 as of the close of business on such Interest Determination Date by three major banks in New York City selected by the Calculation Agent.

If the banks selected are not quoting as mentioned above, the Prime Rate will remain the Prime Rate in effect on such Interest Determination Date.

"Reuters Screen US PRIME1 Page" means the display designated as page "US PRIME1" on the Reuters Monitor Money Rates Service (or such other page as may replace the US PRIME1 page on that service for the purpose of displaying prime rates or base lending rates of major United States banks).

Treasury Rate Notes

"Treasury Rate" means:

(1) the rate from the auction held on the Interest Determination Date (the "Auction") of direct obligations of the United States ("Treasury Bills") having the Index Maturity specified in the Supplement under the caption "INVEST RATE" on the display on the Reuters Page designated as USAUCTION10 (or any other

page as may replace that page on that service) or the Reuters Page designated as USAUCTION11 (or any other page as may replace that page on that service), or

(2) if the rate referred to in clause (1) is not so published by 3:00 p.m. on the related Calculation Date, the Bond Equivalent Yield (as defined below) of the rate for the applicable Treasury Bills as published in H.15 Daily Update, under the caption "U.S. Government Securities/Treasury Bills/Auction High", or

(3) if the rate referred to in clause (2) is not so published by 3:00 p.m. on the related Calculation Date, the Bond Equivalent Yield of the auction rate of the applicable Treasury Bills as announced by the United States Department of the Treasury, or

(4) if the rate referred to in clause (3) is not so announced by the United States Department of the Treasury, or if the Auction is not held, the Bond Equivalent Yield of the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15(519) under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or

(5) if the rate referred to in clause (4) not so published by 3:00 p.m. on the related Calculation Date, the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15 Daily Update, under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or

(6) if the rate referred to in clause (5) is not so published by 3:00 p.m. on the related Calculation Date, the rate on the particular Interest Determination Date calculated by the Calculation Agent as the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m. on that Interest Determination Date, of three primary United States government securities dealers selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the Supplement, or

(7) if the dealers so selected by the Calculation Agent are not quoting as mentioned in clause (6), the Treasury Rate in effect on the particular Interest Determination Date.

"Bond Equivalent Yield" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where “D” refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal, “N” refers to 365 or 366, as the case may be, and “M” refers to the actual number of days in the applicable Interest Reset Period.

3. Final Maturity. The Stated Maturity Date for any Note will be the date so specified in the Supplement, which shall be no later than 270 days from the date of issuance. On its Stated Maturity Date, or any date prior to the Stated Maturity Date on which the particular Note becomes due and payable by the declaration of acceleration, each such date being referred to as a Maturity Date, the principal amount of such Note, together with accrued and unpaid interest thereon, will be immediately due and payable.

4. Events of Default. The occurrence of any of the following shall constitute an “Event of Default” with respect to a Note: (i) default in any payment of principal of or interest on such Note (including on a redemption thereof); (ii) the Issuer makes any compromise arrangement with its creditors generally including the entering into any form of moratorium with its creditors generally; (iii) a court having jurisdiction shall enter a decree or order for relief in respect of the Issuer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or there shall be appointed a receiver, administrator, liquidator, custodian, trustee or sequestrator (or similar officer) with respect to the whole or substantially the whole of the assets of the Issuer and any such decree, order or appointment is not removed, discharged or withdrawn within 60 days thereafter; or (iv) the Issuer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, administrator, liquidator, assignee, custodian, trustee or sequestrator (or similar official), with respect to the whole or substantially the whole of the assets of the Issuer or make any general assignment for the benefit of creditors. Upon the occurrence of an Event of Default, the principal of such Note (together with interest accrued and unpaid thereon) shall become, without any notice or demand, immediately due and payable.[2]

5. Obligation Absolute. No provision of the Issuing and Paying Agency Agreement under which the Notes are issued shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on each Note at the times, place and rate, and in the coin or currency, herein prescribed.

6. Supplement. Any term contained in the Supplement shall supersede any conflicting term contained herein.

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[2] Unlike single payment notes, where a default arises only at the stated maturity, interest-bearing notes with multiple payment dates should contain a default provision permitting acceleration of the maturity if the Issuer defaults on an interest payment.

Exhibit 12.01

AllianceBernstein L.P.
Consolidated Ratio Of Earnings to Fixed Charges

	Years Ended December 31,		
	2015	**2014**	**2013**
	(in thousands)		
Fixed Charges:			
Interest Expense	$ 3,119	$ 2,797	$ 2,962
Estimate of Interest Component In Rent Expense [1]	—	—	—
Total Fixed Charges	$ 3,119	$ 2,797	$ 2,962
Earnings:			
Income Before Income Taxes and Non-Controlling Interest in Earnings of Consolidated Entities	$ 631,099	$ 608,621	$ 564,251
Other	7,727	1,379	16,337
Fixed Charges	3,119	2,797	2,962
Total Earnings	$ 641,945	$ 612,797	$ 583,550
Consolidated Ratio Of Earnings To Fixed Charges	205.82	219.09	197.01

[1] AllianceBernstein L.P. has not entered into financing leases during these periods.

SUBSIDIARIES OF
ALLIANCEBERNSTEIN L.P.

Each of the entities listed below are wholly-owned subsidiaries of AllianceBernstein, unless a specific percentage ownership is indicated:

AllianceBernstein International LLC
(Delaware)

AB Trust Company, LLC
(New Hampshire)

AllianceBernstein Corporation of Delaware
(Delaware)

AllianceBernstein Holdings (Cayman) Ltd.
(Cayman Islands)

Alliance Capital Management LLC
(Delaware)

Sanford C. Bernstein & Co., LLC
(Delaware)

AllianceBernstein Real Estate Investments LLC
(Delaware)

AB Private Credit Investors LLC
(Delaware)

AllianceBernstein Investments, Inc.
(Delaware)

AllianceBernstein Investor Services, Inc.
(Delaware)

AllianceBernstein Global Derivatives Corporation
(Delaware)

AllianceBernstein Oceanic Corporation
(Delaware)

AllianceBernstein Japan Inc.
(Delaware)

AllianceBernstein Canada, Inc.
(Canada)

Sanford C. Bernstein (Canada) Limited
(Candada)

AllianceBernstein (Mexico), S. de R.L. de C.V.
(Mexico)

AllianceBernstein Administradora de Carteiras (Brasil) Ltda.
(Brazil)

AllianceBernstein (Argentina) S.R.L.
(Argentina)

AllianceBernstein Holdings Limited
(U.K.)

AllianceBernstein Preferred Limited
(U.K.)

AllianceBernstein Limited
(U.K.)

AllianceBernstein Services Limited
(U.K.)

Sanford C. Bernstein Limited
(U.K.)

Sanford C. Bernstein (CREST Nominees) Limited
(U.K.)

Sanford C. Bernstein (Schweiz) GmbH
(Switzerland)

CPH Capital Fondsmaeglerselskab A/S
(Denmark; 85.4%-owned)

AllianceBernstein Schweiz AG
(Switzerland)

AllianceBernstein (Luxembourg) S.à.r.l
(Luxembourg)

AllianceBernstein (France) SAS
(France)

AB Europe GmbH
(Germany)

AB Bernstein Israel Ltd.
(Israel)

AllianceBernstein Japan Ltd.
(Japan)

AllianceBernstein Hong Kong Limited
(Hong Kong)

Sanford C. Bernstein (Hong Kong) Limited
(Hong Kong)

AllianceBernstein Asset Management (Korea) Ltd.
(South Korea)

AllianceBernstein Investment Research (Proprietary) Limited
(South Africa; 80%-owned)

AllianceBernstein Investment Management Australia Limited
(Australia)

AllianceBernstein Australia Limited
(Australia)

AllianceBernstein (Singapore) Ltd.
(Singapore)

AllianceBernstein Investments Taiwan Limited
(Taiwan)

AB (Shanghai) Investment Consulting Co., Ltd.
(China)

Alliance Capital (Mauritius) Private Limited
(Mauritius)

AllianceBernstein Investment Research and Management (India) Private Ltd.
(India)

ACAM Trust Company Private Ltd.
(India)

Alliance Capital Asset Management (India) Private Ltd.
(India; 75%-owned)

W.P. Stewart & Co., LLC
(Delaware)

WPS Advisors, LLC
(Delaware)

W.P. Stewart Asset Management LLC
(Delaware)

W.P. Stewart & Co. (Europe), Ltd.
(U.K.)

W.P. Stewart Asset Management (NA), LLC
(New York)

W.P. Stewart Asset Management (Europe), N.V.
(Netherlands)

W.P. Stewart Securities LLC
(Delaware)

W.P. Stewart Fund Management, S.A.
(Luxembourg)

EXHIBIT 23.01

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-47192) of AllianceBernstein L.P. of our report dated February 11, 2016 relating to the financial statements, financial statement schedules and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 11, 2016

Exhibit 31.01

I, Peter S. Kraus, certify that:

1. I have reviewed this annual report on Form 10-K of AllianceBernstein L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 11, 2016

/s/ Peter S. Kraus

Peter S. Kraus

Chief Executive Officer

AllianceBernstein L.P.

Exhibit 31.02

I, John C. Weisenseel, certify that:

1. I have reviewed this annual report on Form 10-K of AllianceBernstein L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 11, 2016

/s/ John C. Weisenseel

John C. Weisenseel
Chief Financial Officer
AllianceBernstein L.P.

Exhibit 32.01

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of AllianceBernstein L.P. (the "Company") on Form 10-K for the period ending December 31, 2015 to be filed with the Securities and Exchange Commission on or about February 11, 2016 (the "Report"), I, Peter S. Kraus, Chief Executive Officer of the Company, certify, for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Exchange Act; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 11, 2016

/s/ Peter S. Kraus

Peter S. Kraus
Chief Executive Officer
AllianceBernstein L.P.

Exhibit 32.02

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of AllianceBernstein L.P. (the "Company") on Form 10-K for the period ending December 31, 2015 to be filed with the Securities and Exchange Commission on or about February 11, 2016 (the "Report"), I, John C. Weisenseel, Chief Financial Officer of the Company, certify, for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Exchange Act; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 11, 2016

/s/ John C. Weisenseel

John C. Weisenseel
Chief Financial Officer
AllianceBernstein L.P.