

**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, 2022

OR

☐ 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

(State or other jurisdiction of incorporation or organization)

13-4064930

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

**501 Commerce Street, Nashville, TN 37203**

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (615) 622-0000

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

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

Title of Class	Trading Symbol	Name of each exchange on which registered
Units of Limited Partnership Interest	None	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 ☐

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 ☐ 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 ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

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

If securities are registered pursuant to Section 12 (b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

The number of units of limited partnership interest outstanding as of December 31, 2022 was 285,979,913.

DOCUMENTS INCORPORATED BY REFERENCE  
This Form 10-K does not incorporate any document by reference.



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# Glossary of Certain Defined Terms

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<b>AB</b>	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.	<b>Equitable Financial</b>	Equitable Financial Life Insurance Company (New York stock life insurance company), a subsidiary of Equitable Holdings.
<b>AB Holding</b>	AllianceBernstein Holding L.P. (Delaware limited partnership).	<b>Equitable Holdings or EQH</b>	Equitable Holdings, Inc. (Delaware corporation) and its subsidiaries other than AB and its subsidiaries.
<b>AB Holding Partnership Agreement</b>	the Amended and Restated Agreement of Limited Partnership of AB Holding, dated as of October 29, 1999 and as amended February 24, 2006.	<b>Exchange Act</b>	the Securities Exchange Act of 1934, as amended.
<b>AB Holding Units</b>	units representing assignments of beneficial ownership of limited partnership interest in AB Holding.	<b>ERISA</b>	the Employee Retirement Income Security Act of 1974, as amended.
<b>AB Partnership Agreement</b>	the Amended and Restated Agreement of Limited Partnership of AB, dated as of October 29, 1999 and as amended February 24, 2006.	<b>GAAP</b>	U.S. Generally Accepted Accounting Principles.
<b>AB Units</b>	units of limited partnership interest in AB.	<b>General Partner</b>	AllianceBernstein Corporation (Delaware corporation), the general partner of AB and AB Holding and a subsidiary of Equitable Holdings, and, where appropriate, ACMC, LLC, its predecessor.
<b>AUM</b>	AB's assets under management.	<b>Investment Advisers Act</b>	the Investment Advisers Act of 1940, as amended.
<b>Bernstein Transaction</b>	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.	<b>Investment Company Act</b>	the Investment Company Act of 1940, as amended.
<b>Equitable America</b>	Equitable Financial Insurance Company of America (f/k/a MONY Life Insurance Company of America, an Arizona corporation), a subsidiary of Equitable Holdings.	<b>NYSE</b>	the New York Stock Exchange, Inc.
		<b>Partnerships</b>	AB and AB Holding together.
		<b>SEC</b>	the United States Securities and Exchange Commission.
		<b>Securities Act</b>	the Securities Act of 1933, as amended.

# Part I

## Item 1. Business

The words “**we**” and “**our**” in this Form 10-K refer collectively to AB Holding and AB and its subsidiaries, or to their officers and employees. Similarly, the words “**company**” and “**firm**” refer to both AB Holding and AB. Where the context requires distinguishing between AB Holding and AB, we identify which company is being discussed. Cross-references are in *italics*.

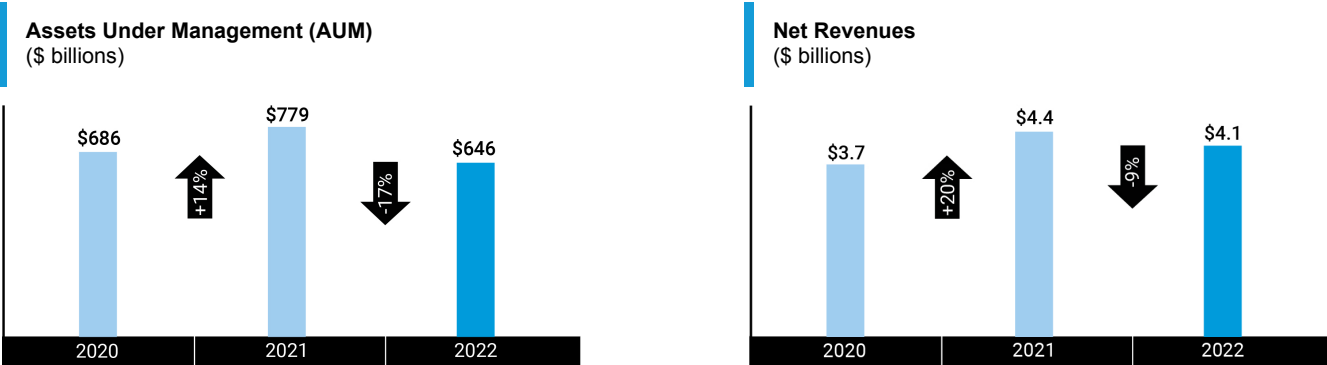
We use “**global**” in this Form 10-K to refer to all nations, including the United States; we use “**international**” or “**non-U.S.**” to refer to nations other than the United States.

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 include, as of December 31, 2022: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

### Clients

We provide diversified investment management, research 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, 2022, 2021 and 2020, our AUM were approximately \$646 billion, \$779 billion and \$686 billion, respectively, and our net revenues were approximately \$4.1 billion, \$4.4 billion and \$3.7 billion, respectively. EQH (our parent company) and its subsidiaries, whose AUM consist primarily of fixed income investments, is our largest client. Our EQH affiliates represented approximately 16%, 17% and 19% of our AUM as of December 31, 2022, 2021 and 2020, and we earned approximately 4% of our net revenues from services we provided to them in each of those years.



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 asset management and private wealth management businesses. 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, environmental, social and governance (“**ESG**”), and alternative investments.

## Part I

### Purpose, Values and Corporate Responsibility

At AB, we pursue insight that unlocks opportunity. This is our firm's purpose. Together with our firm's mission and values, which we have *described below*, our purpose forms the foundation of responsibility at AB.

AB's mission is to help our clients define and achieve their investment goals, explicitly stating what we do each day to unlock opportunity for our clients. As an active manager, our differentiated insights drive our ability to deliver alpha and design innovative investment solutions. ESG and climate issues are key elements in forming insights and in presenting potential risks and opportunities that can impact the performance of the companies and issuers in which we invest and the portfolios that we build.

Our values provide a framework for the behaviors and actions that deliver on our purpose and mission. Values align our actions. Each value emerges from our firm's character, yet also is aspirational, and each value challenges us to become a better, more responsible version of AB:

- We invest in each other, meaning that we have a strong organizational culture in which diversity is celebrated and mentorship is critical to our success.
- We strive for distinctive insight, meaning that we collaboratively identify creative solutions to clients' economic, ESG and climate-related investment challenges through our expertise in a wide range of investment disciplines.
- We speak with courage and conviction, which informs how we engage with our AB colleagues and issuers.
- We act with integrity, which is the bedrock of our relationships and drives us to avoid activities that could create potential conflicts of interest or distract us from our singular focus to provide asset management and research to our clients.

As *noted above*, we consistently challenge ourselves to become a better version of AB. We are committed to being a responsible firm and striving to model the behavior that we expect from the companies in which we invest. This means, in part, giving back to the communities in which we work through our firm-wide philanthropic initiative, AB Gives Back, and reducing our environmental footprint by increasing our use of "green buildings," such as our new corporate headquarters in Nashville, Tennessee. Additionally, by promoting diversity, equity and inclusion, we are afforded different perspectives and ways of thinking, which can lead to better outcomes for our clients (*See Diversity, Equity and Inclusion below in this Item 1*).

Also, striving to be more responsible gives us a richer perspective for evaluating other companies. As longtime fundamental investors with a strong research heritage, we consider ESG factors in various processes. This helps us make fully informed risk/return assessments and draw insightful investment conclusions. Our investors — research analysts and portfolio managers — understand the companies and industries they cover in-depth. This positions them well to determine which ESG issues are material to particular companies, to determine the financial impact of an ESG issue and to incorporate that insight into their cash-flow, earnings and credit models. And, we continue to invest in technology and innovation to further enable our investment teams to formalize their ESG evaluations and share insights from our engagements with other companies.

Additionally, AB has prioritized our employees' health and welfare throughout the COVID-19 pandemic while ensuring that our firm has continued to meet our fiduciary obligations and provide exceptional client service and thoughtful investment advice. Furthermore, COVID-19 is a prominent theme in engagement: it not only impacts business models but also highlights corporate ESG practices. We are advocating that issuers be responsible corporate citizens, and we are working to better understand opportunities and threats, including supply chain disruptions and inflationary pressures, fueled by the pandemic.

We provide additional information in this regard in the AB Responsibility Report, which can be found under "Responsibility - Overview" on [www.alliancebernstein.com](http://www.alliancebernstein.com). And, we have described our firm's governance structure, including our Board and its committees, in Item 10 of this Form 10-K.

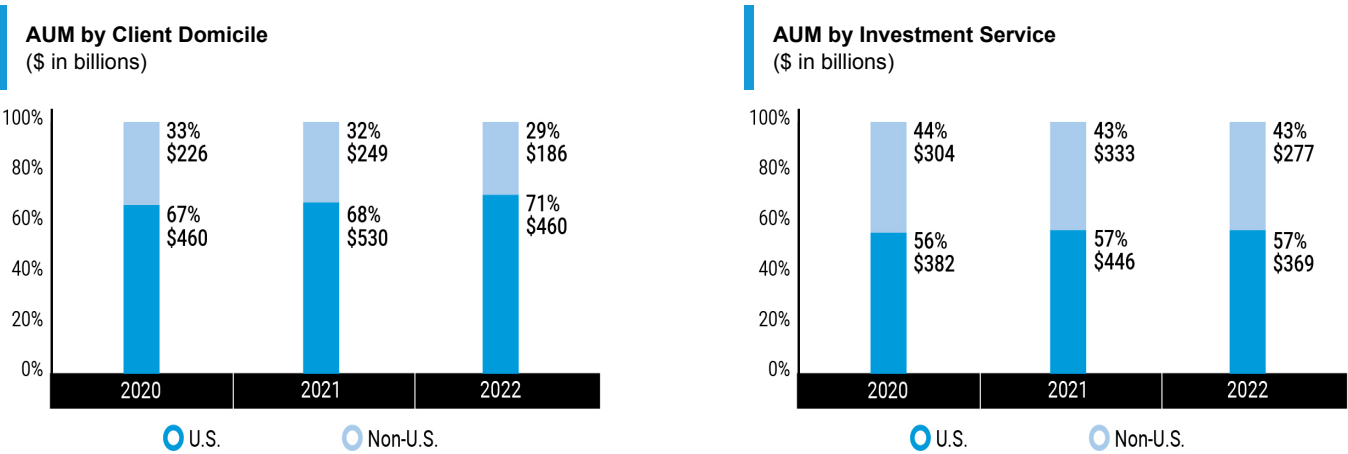
## Investment Philosophy

We believe that by using differentiated research insights and a disciplined process to build high-active-share portfolios, we can achieve strong investment results for our clients over time. Key to this philosophy is developing and integrating ESG and climate research, as well as our approach to engagement. Our global research network, intellectual curiosity and collaborative culture allow us to advance clients' investment objectives, whether our clients are seeking responsibility generated idiosyncratic alpha, total return, downside mitigation, or sustainability and impact-focused outcomes.

Our investment services include expertise in:

- Actively managed equity strategies across global and regional universes, as well as capitalization ranges, concentration ranges and investment strategies, including value, growth and core equities;
- Actively managed traditional and unconstrained fixed income strategies, including taxable and tax-exempt strategies;
- Actively managed alternative investments, including hedge funds, fund of funds and direct assets (e.g., direct lending, real estate and private equity);
- Portfolios with Purpose, including actively managed, impact-focused and Responsible+ (climate-conscious, ESG leaders, change catalysts) equity, fixed income and multi-asset strategies that address our clients' evolving need to invest their capital with purpose while pursuing strong investment returns;
- Multi-asset services and solutions, including dynamic asset allocation, customized target-date funds and target-risk funds; and
- Some passive management, including index, ESG index and enhanced index strategies.

Our AUM by client domicile and investment service as of December 31, 2022, 2021 and 2020 are as follows:



# 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 EQH and its subsidiaries, 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.

EQH and its subsidiaries constitute our largest institutional client. EQH and its subsidiaries combined AUM accounted for approximately 24%, 25% and 29% of our institutional AUM as of December 31, 2022, 2021 and 2020, respectively, and approximately 19%, 18% and 18% of our institutional revenues for 2022, 2021 and 2020, respectively. No single institutional client other than EQH and its respective subsidiaries accounted for more than approximately 2% of our net revenues for the year ended December 31, 2022.

As of December 31, 2022, EQH and its subsidiaries combined AUM accounted for:

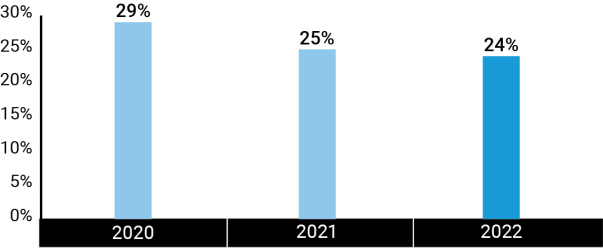
Approximately

**24%**  
of our institutional AUM.

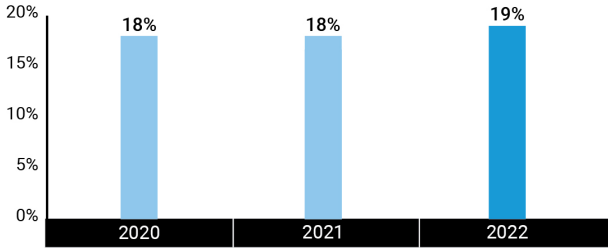
Approximately

**19%**  
of our institutional revenues.

EQH and Subsidiaries as a % of our Institutional AUM



EQH and Subsidiaries as a % of our Institutional Revenues



As of December 31, 2022, 2021 and 2020, Institutional Services represented approximately 46%, 43% and 46%, respectively, of our AUM, and the fees we earned from providing these services represented approximately 16%, 13% and 14%, respectively, of our net revenues for each of those years. Our AUM and revenues are as follows:

### Institutional Services Assets Under Management (by Investment Service)

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in millions)				
Equity:					
Equity Actively Managed	\$ 55,731	\$ 73,726	\$ 60,067	(24.4)%	22.7 %
Equity Passively Managed <sup>(1)</sup>	21,062	28,995	27,873	(27.4)	4.0
<b>Total Equity</b>	<b>76,793</b>	<b>102,721</b>	<b>87,940</b>	<b>(25.2)</b>	<b>16.8</b>
U.S.	35,428	47,409	41,241	(25.3)	15.0
Global & Non-US	41,365	55,312	46,699	(25.2)	18.4
<b>Total Equity</b>	<b>76,793</b>	<b>102,721</b>	<b>87,940</b>	<b>(25.2)</b>	<b>16.8</b>
Fixed Income:					
Fixed Income Taxable	121,871	155,940	164,048	(21.8)	(4.9)
Fixed Income Tax-Exempt	849	1,108	1,271	(23.4)	(12.8)
Fixed Income Passively Managed <sup>(1)</sup>	192	224	84	(14.3)	166.7
<b>Total Fixed Income</b>	<b>122,912</b>	<b>157,272</b>	<b>165,403</b>	<b>(21.8)</b>	<b>(4.9)</b>
U.S.	88,800	110,312	116,833	(19.5)	(5.6)
Global & Non-US	34,112	46,960	48,570	(27.4)	26.1
<b>Total Fixed Income</b>	<b>122,912</b>	<b>157,272</b>	<b>165,403</b>	<b>(21.8)</b>	<b>(4.9)</b>
Alternatives/Multi-Asset Solutions <sup>(2)</sup> :					
U.S.	12,873	7,697	6,104	67.2	26.1
Global & Non-US	84,703	69,390	56,151	22.1	23.6
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>97,576</b>	<b>77,087</b>	<b>62,255</b>	<b>26.6</b>	<b>23.8</b>
<b>Total:</b>					
U.S.	137,101	165,418	164,178	(17.1)	0.8
Global & Non-US	160,180	171,662	151,420	(6.7)	13.4
<b>Total</b>	<b>\$ 297,281</b>	<b>\$ 337,080</b>	<b>\$ 315,598</b>	<b>(11.8)</b>	<b>6.8</b>
Affiliated - EQH	70,924	84,096	91,396	(15.7)	(8.0)
Non-affiliated	226,357	252,984	224,202	(10.5)	12.8
<b>Total</b>	<b>\$ 297,281</b>	<b>\$ 337,080</b>	<b>\$ 315,598</b>	<b>(11.8)</b>	<b>6.8</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

## Part I

### Revenues from Institutional Services (by Investment Service)

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands)				
Equity:					
Equity Actively Managed	\$ 220,917	\$ 240,049	\$ 170,802	(8.0)%	40.5 %
Equity Passively Managed <sup>(1)</sup>	4,910	6,119	5,851	(19.8)	4.6
<b>Total Equity</b>	<b>225,827</b>	<b>246,168</b>	<b>176,653</b>	<b>(8.3)</b>	<b>39.4</b>
U.S.	80,908	97,522	69,795	(17.0)	39.7
Global & Non-US	144,919	148,646	106,858	(2.5)	39.1
<b>Total Equity</b>	<b>225,827</b>	<b>246,168</b>	<b>176,653</b>	<b>(8.3)</b>	<b>39.4</b>
Fixed Income:					
Fixed Income Taxable	189,679	199,866	194,026	(5.1)	3.0
Fixed Income Tax-Exempt	1,182	1,356	1,355	(12.8)	0.1
Fixed Income Passively Managed <sup>(1)</sup>	425	105	82	n/m	28.0
Fixed Income Servicing <sup>(2)</sup>	15,991	14,738	14,108	8.5	4.5
<b>Total Fixed Income</b>	<b>207,277</b>	<b>216,065</b>	<b>209,571</b>	<b>(4.1)</b>	<b>3.1</b>
U.S.	128,392	124,004	118,924	3.5	4.3
Global & Non-US	78,885	92,061	90,647	(14.3)	1.6
<b>Total Fixed Income</b>	<b>207,277</b>	<b>216,065</b>	<b>209,571</b>	<b>(4.1)</b>	<b>3.1</b>
Alternatives/Multi-Asset Solutions <sup>(3)</sup> :					
U.S.	114,982	64,646	52,222	77.9	23.8
Global & Non-US	111,202	59,179	73,354	87.9	(19.3)
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>226,184</b>	<b>123,825</b>	<b>125,576</b>	<b>82.7</b>	<b>(1.4)</b>
Total Investment Advisory and Services Fees:					
U.S.	324,282	286,172	240,941	13.3	18.8
Global & Non-US	335,004	299,886	270,859	11.7	10.7
<b>Total</b>	<b>659,286</b>	<b>586,058</b>	<b>511,800</b>	<b>12.5</b>	<b>14.5</b>
Distribution Revenues	268	474	588	(43.5)	(19.4)
Shareholder Servicing Fees	429	485	526	(11.5)	(7.8)
<b>Total</b>	<b>\$ 659,983</b>	<b>\$ 587,017</b>	<b>\$ 512,914</b>	<b>12.4</b>	<b>14.4</b>
Affiliated - EQH	125,229	105,415	90,101	18.8	17.0
Non-affiliated	534,754	481,602	422,813	11.0	13.9
<b>Total</b>	<b>\$ 659,983</b>	<b>\$ 587,017</b>	<b>\$ 512,914</b>	<b>12.4</b>	<b>14.4</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> 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.

<sup>(3)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

## Retail

We provide investment management and related services to a wide variety of individual retail investors globally 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 U.S. 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 AB's 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 board of directors or trustees of those funds, by a majority vote 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 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 EQH and its subsidiaries constitute our largest retail client. EQH and its subsidiaries accounted for approximately 14% of our retail AUM as of December 31, 2022, 2021 and 2020 and approximately 1% of our retail net revenues for the years ended December 31, 2022, 2021 and 2020.

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. 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, 2022, retail U.S. Fund AUM were approximately \$54 billion, or 22% of retail AUM, as compared to \$73 billion, or 23%, as of December 31, 2021, and \$62 billion, or 23%, as of December 31, 2020. Non-U.S. Fund AUM, as of December 31, 2022, totaled \$96 billion, or 39% of retail AUM, as compared to \$130 billion, or 41%, as of December 31, 2021, and \$110 billion, or 41%, as of December 31, 2020.

## Part I

Our Retail Services represented approximately 38%, 41% and 39% of our AUM as of December 31, 2022, 2021 and 2020, respectively, and the fees we earned from providing these services represented approximately 49%, 50% and 49% of our net revenues for the years ended December 31, 2022, 2021 and 2020, respectively. Our AUM and revenues are as follows:

### Retail Services Assets Under Management (by Investment Service)

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in millions)				
Equity:					
Equity Actively Managed	\$ 116,235	\$ 154,200	\$ 106,866	(24.6)%	44.3 %
Equity Passively Managed <sup>(1)</sup>	30,445	40,821	35,995	(25.4)	13.4
<b>Total Equity</b>	<b>146,680</b>	<b>195,021</b>	<b>142,861</b>	<b>(24.8)</b>	<b>36.5</b>
U.S.	118,547	152,106	108,506	(22.1)	40.2
Global & Non-US	28,133	42,915	34,355	(34.4)	24.9
<b>Total Equity</b>	<b>146,680</b>	<b>195,021</b>	<b>142,861</b>	<b>(24.8)</b>	<b>36.5</b>
Fixed Income:					
Fixed Income Taxable	53,995	75,813	84,654	(28.8)	(10.4)
Fixed Income Tax-Exempt	26,714	29,009	23,202	(7.9)	25.0
Fixed Income Passively Managed <sup>(1)</sup>	9,206	12,762	8,231	(27.9)	55.0
<b>Total Fixed Income</b>	<b>89,915</b>	<b>117,584</b>	<b>116,087</b>	<b>(23.5)</b>	<b>1.3</b>
U.S.	41,151	46,361	36,137	(11.2)	28.3
Global & Non-US	48,764	71,223	79,950	(31.5)	(10.9)
<b>Total Fixed Income</b>	<b>89,915</b>	<b>117,584</b>	<b>116,087</b>	<b>(23.5)</b>	<b>1.3</b>
Alternatives/Multi-Asset Solutions <sup>(2)</sup> :					
U.S.	2,697	3,595	3,071	(25.0)	17.1
Global & Non-US	3,594	3,718	3,321	(3.3)	12.0
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>6,291</b>	<b>7,313</b>	<b>6,392</b>	<b>(14.0)</b>	<b>14.4</b>
Total:					
U.S.	162,395	202,062	147,714	(19.6)	36.8
Global & Non-US	80,491	117,856	117,626	(31.7)	0.2
<b>Total</b>	<b>\$ 242,886</b>	<b>\$ 319,918</b>	<b>\$ 265,340</b>	<b>(24.1)</b>	<b>20.6</b>
Affiliated - EQH	34,110	44,417	36,765	(23.2)	20.8
Non-affiliated	208,776	275,501	228,575	(24.2)	20.5
<b>Total</b>	<b>\$ 242,886</b>	<b>\$ 319,918</b>	<b>\$ 265,340</b>	<b>(24.1)</b>	<b>20.6</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services

# Revenues from Retail Services

(by Investment Service)

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands)				
Equity:					
Equity Actively Managed	\$ 746,889	\$ 766,578	\$ 508,973	(2.6)%	50.6 %
Equity Passively Managed <sup>(1)</sup>	12,870	14,773	14,347	(12.9)	3.0
<b>Total Equity</b>	<b>759,759</b>	<b>781,351</b>	<b>523,320</b>	<b>(2.8)</b>	<b>49.3</b>
U.S.	558,319	556,398	355,542	0.3	56.5
Global & Non-US	201,440	224,953	167,778	(10.5)	34.1
<b>Total Equity</b>	<b>759,759</b>	<b>781,351</b>	<b>523,320</b>	<b>(2.8)</b>	<b>49.3</b>
Fixed Income:					
Fixed Income Taxable	390,708	517,327	534,164	(24.5)	(3.2)
Fixed Income Tax-Exempt	89,450	84,945	70,734	5.3	20.1
Fixed Income Passively Managed <sup>(1)</sup>	13,682	12,994	12,229	5.3	6.3
<b>Total Fixed Income</b>	<b>493,840</b>	<b>615,266</b>	<b>617,127</b>	<b>(19.7)</b>	<b>(0.3)</b>
U.S.	119,053	115,248	101,825	3.3	13.2
Global & Non-US	374,787	500,018	515,302	(25.0)	(3.0)
<b>Total Fixed Income</b>	<b>493,840</b>	<b>615,266</b>	<b>617,127</b>	<b>(19.7)</b>	<b>(0.3)</b>
Alternatives/Multi-Asset Solutions <sup>(2)</sup> :					
U.S.	55,356	81,872	57,069	(32.4)	43.5
Global & Non-US	13,484	13,117	12,723	2.8	3.1
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>68,840</b>	<b>94,989</b>	<b>69,792</b>	<b>(27.5)</b>	<b>36.1</b>
Total Investment Advisory and Services Fees:					
U.S.	732,728	753,518	514,436	(2.8)	46.5
Global & Non-US	589,711	738,086	695,803	(20.1)	6.1
Consolidated company-sponsored investment funds	770	1,243	733	(38.1)	69.6
<b>Total</b>	<b>1,323,209</b>	<b>1,492,847</b>	<b>1,210,972</b>	<b>(11.4)</b>	<b>23.3</b>
Distribution Revenues	594,431	644,125	522,056	(7.7)	23.4
Shareholder Servicing Fees	83,268	86,857	78,920	(4.1)	10.1
<b>Total</b>	<b>\$ 2,000,908</b>	<b>\$ 2,223,829</b>	<b>\$ 1,811,948</b>	<b>(10.0)</b>	<b>22.7</b>
Affiliated - EQH	23,836	28,334	27,130	(15.9)	4.4
Non-affiliated	1,977,072	2,195,495	1,784,818	(9.9)	23.0
<b>Total</b>	<b>\$ 2,000,908</b>	<b>\$ 2,223,829</b>	<b>\$ 1,811,948</b>	<b>(10.0)</b>	<b>22.7</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

## Part I

# Private Wealth Management

We partner with our clients, embracing innovation and research to address increasingly complex challenges. Our clients include high-net-worth individuals and families who have created generational wealth as successful business owners, athletes, entertainers, corporate executives and private practice owners. We also provide investment and wealth advice to foundations and endowments, family offices and other entities. Our flexible and extensive investment platform offers a range of solutions, including separately-managed accounts, hedge funds, mutual funds and other investment vehicles, tailored to meet each distinct client's needs. Our investment platform is complimented with a wealth platform that includes complex tax and estate planning, pre-IPO and pre-transaction planning, multi-generational family engagement, and philanthropic advice in addition to tailored approaches to meeting the unique needs of emerging wealth and multi-cultural demographics ("**Private Wealth Services**").

We manage accounts pursuant to written investment advisory agreements, which generally are terminable at any time or upon relatively short notice by any authorized 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%, 16% and 15% of our AUM as of December 31, 2022, 2021 and 2020, respectively. The fees we earned from providing these services represented approximately 25%, 25% and 24% of our net revenues for 2022, 2021 and 2020, respectively. Our AUM and revenues are as follows:

### Private Wealth Services Assets Under Management (by Investment Service)

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in millions)				
Equity:					
Equity Actively Managed	\$ 45,977	\$ 59,709	\$ 50,854	(23.0)%	17.4 %
Equity Passively Managed <sup>(1)</sup>	2,304	1,764	666	30.6 %	164.9 %
<b>Total Equity</b>	<b>48,281</b>	<b>61,473</b>	<b>51,520</b>	<b>(21.5)</b>	<b>19.3</b>
U.S.	28,014	35,014	28,776	(20.0)	21.7
Global & Non-US	20,267	26,459	22,744	(23.4)	16.3
<b>Total Equity</b>	<b>48,281</b>	<b>61,473</b>	<b>51,520</b>	<b>(21.5)</b>	<b>19.3</b>
Fixed Income:					
Fixed Income Taxable	14,391	14,567	14,515	(1.2)	0.4
Fixed Income Tax-Exempt	24,953	26,929	25,764	(7.3)	4.5
Fixed Income Passively Managed <sup>(1)</sup>	2	230	195	(99.1)	17.9
<b>Total Fixed Income</b>	<b>39,346</b>	<b>41,726</b>	<b>40,474</b>	<b>(5.7)</b>	<b>3.1</b>
U.S.	34,764	36,166	35,042	(3.9)	3.2
Global & Non-US	4,582	5,561	5,432	(17.6)	2.4
<b>Total Fixed Income</b>	<b>39,346</b>	<b>41,727</b>	<b>40,474</b>	<b>(5.7)</b>	<b>3.1</b>
Alternatives/Multi-Asset Solutions <sup>(2)</sup> :					
U.S.	6,607	6,926	5,927	(4.6)	16.9
Global & Non-US	12,021	11,446	7,064	5.0	62.0
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>18,628</b>	<b>18,372</b>	<b>12,991</b>	<b>1.4</b>	<b>41.4</b>
Total:					
U.S.	69,385	78,106	69,745	(11.2)	12.0
Global & Non-US	36,870	43,466	35,240	(15.2)	23.3
<b>Total</b>	<b>\$ 106,255</b>	<b>\$ 121,572</b>	<b>\$ 104,985</b>	<b>(12.6)</b>	<b>15.8</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

# Revenues from Private Wealth Services

(by Investment Service)

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands)				
Equity:					
Equity Actively Managed	\$ 521,155	\$ 584,455	\$ 487,899	(10.8)%	19.8 %
Equity Passively Managed <sup>(1)</sup>	8,700	4,780	1,113	82.0 %	n/m
<b>Total Equity</b>	<b>529,855</b>	<b>589,235</b>	<b>489,012</b>	<b>(10.1)</b>	<b>20.5</b>
U.S.	295,235	325,154	263,938	(9.2)	23.2
Global & Non-US	234,620	264,081	225,074	(11.2)	17.3
<b>Total Equity</b>	<b>529,855</b>	<b>589,235</b>	<b>489,012</b>	<b>(10.1)</b>	<b>20.5</b>
Fixed Income:					
Fixed Income Taxable	66,851	72,404	71,575	(7.7)	1.2
Fixed Income Tax-Exempt	125,123	130,391	123,952	(4.0)	5.2
Fixed Income Passively Managed <sup>(1)</sup>	1,804	2,634	2,891	(31.5)	(8.9)
<b>Total Fixed Income</b>	<b>193,778</b>	<b>205,429</b>	<b>198,418</b>	<b>(5.7)</b>	<b>3.5</b>
U.S.	159,411	167,402	160,666	(4.8)	4.2
Global & Non-US	34,367	38,027	37,752	(9.6)	0.7
<b>Total Fixed Income</b>	<b>193,778</b>	<b>205,429</b>	<b>198,418</b>	<b>(5.7)</b>	<b>3.5</b>
Alternatives/Multi-Asset Solutions <sup>(2)</sup> :					
U.S.	195,666	249,432	109,169	(21.6)	128.5
Global & Non-US	69,245	71,524	76,065	(3.2)	(6.0)
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>264,911</b>	<b>320,956</b>	<b>185,234</b>	<b>(17.5)</b>	<b>73.3</b>
Total Investment Advisory and Services Fees:					
U.S.	650,311	741,987	533,773	(12.4)	39.0
Global & Non-US	338,232	373,632	338,891	(9.5)	10.3
<b>Total</b>	<b>988,543</b>	<b>1,115,619</b>	<b>872,664</b>	<b>(11.4)</b>	<b>27.8</b>
Distribution Revenues	12,496	7,641	7,137	63.5	7.1
Shareholder Servicing Fees	2,964	2,882	2,871	2.8	0.4
<b>Total</b>	<b>\$ 1,004,003</b>	<b>\$ 1,126,142</b>	<b>\$ 882,672</b>	<b>(10.8)</b>	<b>27.6</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

Part I

Bernstein Research Services

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

Additionally, we occasionally provide equity capital markets services to issuers of publicly traded securities, such as initial public offerings and follow-on offerings, generally acting as co-manager in such offerings.

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, and to a lesser but increasing extent, by paying us directly for research through commission sharing agreements or cash payments. Bernstein Research Services accounted for approximately 10%, 10% and 12% of our net revenues for the years ended December 31, 2022, 2021 and 2020, respectively.

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

In the fourth quarter of 2022, AB and Société Générale (Euronext: SCGLY, "**SocGen**"), a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses. As a result, the BRS business has been classified as held for sale. For further discussion, see Note 24 *Acquisitions and Divestitures to AB's consolidated financial statements in Item 8*.

Our Bernstein Research Services revenues are as follows:

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands)				
Bernstein Research Services	\$ 416,273	\$ 452,017	\$ 459,744	(7.9)%	(1.7)%

Custody

Our U.S. based broker-dealer subsidiary acts as custodian for the majority of our Private Wealth Management AUM and some of our Institutional AUM. Other custodian arrangements, directed by clients, include banks, trust companies, brokerage firms and other financial institutions.

People Management

As a leading global investment management and research firm, we bring together a wide range of insights, expertise and innovations to advance the interests of our clients around the world. The intellectual capital and distinctive knowledge of our employees are collectively the most important assets of our firm, so the long-term sustainability and success of our firm is heavily dependent on our people. In 2022, our human capital and administrative services teams became our "People" team, a key acknowledgement of the central role they play in supporting our employees and advancing their work experience. We are keenly focused on:

- fostering an inclusive culture by incorporating diversity, equity and inclusion in all levels of our business;
- encouraging innovation;
- developing, retaining and recruiting high quality talent; and
- aligning employees' incentives and risk taking with those of the firm.

As a result, we have a strong firm culture that helps us maximize performance and drive excellence. Further, our firm's role as a fiduciary is embedded in our culture. As a fiduciary, our firm's primary objective is to act in our clients' best interests and help them reach their financial goals.

Also, our Board of Directors (the "**Board**") and committees of the Board, particularly our Compensation and Workplace Practices Committee, provide oversight into various matters affecting our people, including emerging people management risks and strategies to mitigate our exposure to those risks. Furthermore, our Board and Board committees evaluate the overall effectiveness of our social responsibility policies, goals and programs and recommend changes to management as necessary. These collaborative efforts contribute to the overall framework that guides how AB attracts, retains and develops a workforce that supports our values and strategic initiatives.

## Talent Acquisition

AB seeks to achieve excellence in business and investment performance by recruiting and hiring a workforce with diversity of thought, backgrounds and experiences. We believe that diverse and inclusive teams generate better ideas and reach more balanced decisions. We seek to leverage the unique backgrounds of our employees to meet the needs of a broad range of clients and engage with the communities in which we operate. We engage several external organizations to assist in attracting and recruiting top talent at all levels, with a particular focus on attracting diverse talent. We have a sizable group of internal talent acquisition associates focused on recruiting, and we have implemented various people-related initiatives to develop and provide for a balanced workforce. Additionally, we offer internship programs for students to work in positions across functional areas of the firm, and an important part of our emerging talent and post-graduate recruitment strategy is to convert a high percentage of our interns into full-time employees.

## Employee Engagement

We believe a workforce is most productive, effective and highly engaged when they feel connected to our business and culture. We seek to provide diverse work experiences, professional development opportunities, competitive compensation and benefits, an inclusive and diverse culture and social engagement projects to keep our employees motivated, connected to our firm and engaged throughout their careers. We strive to create a culture of intellectual curiosity and collaboration, creating an environment where our employees can thrive and do their best work. We foster growth and advancement through different training avenues to develop skill sets, create opportunities for networking, both internally and externally, and we encourage internal mobility as a part of our employees' career trajectory.

It is important that our employees are not only connected to our business but also to the communities in which we operate. As such, AB offers many opportunities for our employees to volunteer in the communities in which we serve, including our firm-wide philanthropic initiative, AB Gives Back. Other initiatives in support of these objectives include a five-year refresh award, whereby employees receive two additional weeks off for every five years of service. In addition, we utilize AB Voice, a periodic survey designed to measure employee satisfaction and engagement, allowing us to identify and address performance gaps.

## Diversity, Equity and Inclusion

Our continued commitment to Diversity, Equity & Inclusion ("DEI") across all facets of our firm aligns with broader industry recognition of the workplace as both a working and learning community. We believe that our company plays a critical role in empowering our people through purpose and fostering an inclusive, collaborative environment and equitable culture that allows for connectivity, belonging and success at every level.

A key element of our ongoing journey has been to adapt as appropriate to evolving DEI industry trends. In 2022, we formally incorporated the concept of "equity" into our strategy and team name in an effort to more accurately reflect our current and anticipated approach.

Our firm's community engagement efforts have been further integrated under the DEI umbrella. To support our grantee and community partners, bolster our commitment to our non-profit clients, and add value for our current and future employees, our approach leverages four programs under the "AB Gives Back" brand: philanthropy, volunteering, board participation and gift matching. Some highlights include improved student attendance and financial literacy in inner city neighborhoods and over 3,000 employee volunteer hours completed in 2022.

We have enhanced our talent attraction and retention approach to position ourselves as an employer of choice and increase investment in our people. We have developed a diverse talent strategy with a goal of gaining a deeper understanding of the needs of diverse talent and also equipping managers with the necessary tools to effectively manage an increasingly diverse workforce. The strategy includes incorporating the concept of inclusive leadership into the firm-wide leadership development curriculum and providing opportunities to build relationships across the firm at all levels.

Finally, our people remain our top priority. Over the course of the last year, there has been a continued focus on education and deepening engagement across all pillars of our strategy to include Employee Resource Groups ("ERGs"), corporate partnerships, and the overall experience at AB. ERGs have been a major proponent of these efforts by cultivating spaces for courageous conversations, encouraging professional development and personal wellness, and raising awareness for various underrepresented communities.

## Part I

### Compensation and Benefits

We consistently invest in our workforce by offering competitive compensation. We utilize a variety of compensation elements, including base salaries, annual short-term compensation awards (i.e., cash bonuses) and, for those of our employees who earn more than \$300,000 annually, a long-term compensation award program. Long-term incentive compensation awards generally are denominated in restricted AB Holding Units. We utilize this structure to foster a stronger sense of ownership and align the interests of our employees 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 AUM and improved financial performance for the firm. Furthermore, in the U.S. (and elsewhere, although benefits may differ by jurisdiction):

- We provide employee wages that are competitive and consistent with employee positions, skill levels, performance, experience, knowledge and geographic location.
- We engage nationally recognized compensation and benefits consulting firms to independently evaluate the effectiveness of our executive compensation and benefit programs, as well as consulting services relating to the amount and form of compensation paid to employees other than executives, and to provide benchmarking against our industry peers; this process also includes engagement of outside counsel to conduct privileged pay equity reviews to ensure ongoing compliance with applicable laws and regulations.
- We provide merit-based and cost of living annual salary increases, as well as incentive compensation, which are communicated to employees at year-end and documented through our annual review procedures, upon internal transfer and/or promotion; and
- The firm makes benefits available to all eligible employees, including a flexible in-office work schedule that permits working remotely two days weekly, health and prescription insurance, paid and unpaid leaves, a retirement plan, and life and disability/accident coverage. We also offer a variety of voluntary benefits that allow employees to select the options that meet their needs, including flexible time-off, paid parental leave, adoption and surrogacy assistance, tuition reimbursement, and a health and financial wellness program.

### Health, Safety and Flexibility for our Workforce

During 2020, at the onset of COVID, we mobilized to ensure the health and safety of our employees globally. We implemented business continuity measures, including travel restrictions and a work-from-home requirement for almost all personnel (other than a relatively small number of employees whose physical presence in our offices was considered critical), which lasted through the second quarter of 2021. Then, while continuing to closely monitor COVID-related conditions globally, we developed return-to-office programs tailored locally, so that employees could feel safe knowing that their health, and the health of their families, were a priority. This meant a staggered return to the office so that we could monitor data while complying with local ordinances.

Beginning in July 2021, in the U.S. we returned to the office three days a week, alternating weeks through the end of 2021. In early 2022, while most of our employees returned to the office full-time, we offered employees the ability to work remotely up to two days per week given the ability and diligence our employees demonstrated while working remotely. By the end of 2022, all employees had returned to the office utilizing a hybrid work schedule, including the flexibility to work remotely up to two days per week. We believe this approach allows our employees to maintain the important benefits of in-person collaboration while providing greater work-life balance.

### Employees

As of December 31, 2022, our firm had 4,436 full-time employees, including 203 AB CarVal employees, compared to 4,118 full-time employees as of December 31, 2021, representing a 7.7% increase (a 2.8% increase excluding AB CarVal).

As of December 31, 2022, our employees reflected the following characteristics and locations:

Region:	Female	% Female	Male	% Male	Grand Total	% of Total
Americas	1,164	26 %	2,099	47 %	3,263	74 %
Asia ex Japan	234	5 %	227	5 %	461	10 %
EMEA	221	5 %	377	9 %	598	14 %
Japan	56	2 %	43	1 %	99	2 %
<b>Grand Total<sup>(1) (2)</sup></b>	<b>1,675</b>	<b>38 %</b>	<b>2,746</b>	<b>62 %</b>	<b>4,421</b>	<b>100 %</b>

<sup>(1)</sup> The table above only reflects employees who have self-reported as male or female and as such does not reconcile to our total of 4,436 full-time employees.

<sup>(2)</sup> The methodology utilized to populate the table above changed from the prior year. Specifically, while in 2021 we presented the total percentage of female and male full-time employees by region who self-reported, in the above table we present the total percentage of female and male full-time employees by region, as a percentage of total global full-time employees, who self-reported.

In connection with our establishing 1,250 roles in Nashville, Tennessee, we have relocated many of our employees from our New York City and White Plains, New York, locations. Employees whose roles are in-scope for the move, but who are not relocating, receive a separation package. We expect layoffs to continue on a rolling basis until all in-scope roles are filled in Nashville.

## Information about our Executive Officers

Please refer to "Item 10. Directors, Executive Officers and Corporate Governance" below for information relating to our firm's executive officers.

## 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 is a service mark of AB:



In 2015, we established a new brand identity by prominently incorporating "AB" into our brand architecture, while maintaining the legal names of our corporate entities. With this and other related refinements, our company, and our Institutional and Retail businesses, are referred to as "AllianceBernstein (AB)" or simply "AB." Private Wealth Management and Bernstein Research Services are referred to as "AB Bernstein." Also, we adopted the logo service mark 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."

Service marks are generally valid and may be renewed indefinitely, as long as they are in use and/or their registrations are properly maintained.

## 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.

## Part I

AB, AB Holding, the General Partner and six of our subsidiaries (Sanford C. Bernstein & Co., LLC (“**SCB LLC**”), AB Broadly Syndicated Loan Manager LLC, AB Custom Alternative Solutions LLC, AB Private Credit Investors LLC, AB CarVal Investors and W.P. Stewart Asset Management Ltd.) 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. Also, AB, SCB LLC and AB Custom Alternative Solutions LLC 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 commodities introducing broker.

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 Ontario Securities Commission, the Investment Industry Regulatory Organization of Canada, 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, the Financial Supervisory Commission in Taiwan and The Securities and Exchange Board of India. 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. For additional information relating to the regulations that impact our business, *please refer to “Risk Factors” in Item 1A.*

## History and Structure

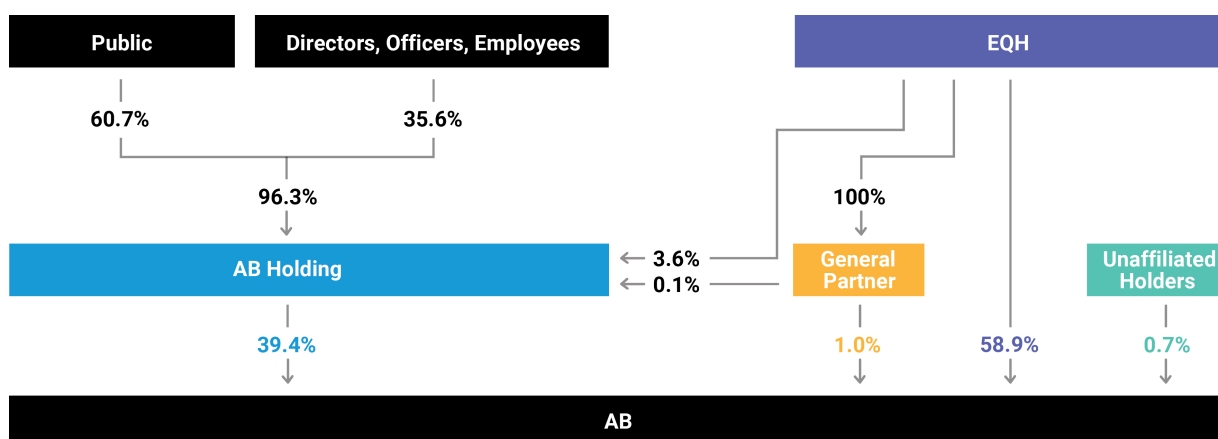
We have been in the investment research and management business for more than 50 years. Bernstein was founded in 1967. Alliance Capital was founded in 1971 when the investment management department of Donaldson, Lufkin & Jenrette, Inc. (since November 2000, a part of Credit Suisse Group) merged with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

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 (the “**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.

As of December 31, 2022, 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, EQH, directly and through certain of its subsidiaries (see “Principal Security Holders” in Item 12), had an approximate 61.3% economic interest in AB as of December 31, 2022.

## 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 with 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, EQH and its subsidiaries provide financial services, some of which compete with those we offer. The AB Partnership Agreement specifically allows EQH and its subsidiaries (other than the General Partner) to compete with AB and to pursue opportunities that may be available to us. EQH and certain of its 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 factors we discuss in “Risk Factors” in Item 1A.

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### Available Information

AB and AB Holding 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.alliancebernstein.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.

## Item 1A. Risk Factors

Please consider this section along with the description of our business in *Item 1*, the competition section *immediately above* and AB's financial information contained in *Items 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.** Our AUM remain sensitive to the volatility associated with global financial market conditions. For example, the dramatic securities market declines experienced during March 2020, which resulted from the global effects of COVID-19, caused a significant reduction in our AUM. Markets and AUM levels recovered to new highs in 2021 following unprecedented, coordinated monetary and fiscal policy support and the approval of vaccines to help remedy the global pandemic. However, significant supply chain challenges, energy shortages and labor shortages, brought about by COVID-19 and significantly exacerbated by the conflict in Ukraine, contributed to heightened global inflationary pressures, which resulted in sizable interest rate increases and associated market volatility in 2022. We recognize that, due to continued uncertainty associated with these circumstances, markets may remain volatile and, accordingly, there remains risk of a significant reduction in our revenues and net income in future periods. Global economies and financial markets are increasingly interconnected, which increases the probability that conditions in one country or region might adversely impact a different country or region. Conditions affecting the general economy, including political, social or economic instability at the local, regional or global level may also affect the market value of our AUM. Health crises, such as the COVID-19 pandemic, as well as other incidents that interrupt the expected course of events, such as natural disasters, war (such as the ongoing conflict in Ukraine) or civil disturbance, acts of terrorism (whether foreign or domestic), power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have had and may in the future have a significant adverse effect on financial markets and our AUM, revenues and net income. Furthermore, the preventative and protective health-related actions, such as business activity suspensions and population lock-downs, that governments have taken, and may continue to take, in response to COVID-19 have resulted, and may continue to result, in periods of business interruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations. Also, significant market volatility and uncertainty, and reductions in the availability of margin financing, can significantly limit the liquidity of certain asset backed and other securities, making it at times impossible to sell these securities at prices reflecting their true economic value. While liquidity conditions were relatively stable in 2022 despite market volatility, we recognize the possibility that conditions could deteriorate in the future. Lack of liquidity makes it more difficult for our funds to meet redemption requests. If liquidity were to worsen, this may have a significant adverse effect on our AUM, revenues and net income in the future.
- **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 ongoing shift to lower-fee passive services described below, may continue to reduce interest in some of the investment products we offer, and/or clients and prospects may continue to seek investment products that we may not currently offer. 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 prospective clients choosing to invest with competitors.
- **Investing Trends.** Our fee rates can vary significantly among the various investment products and services we offer to our clients (see “Net Revenues” in Item 7 for additional information regarding our fee rates); our fee realization rate fluctuates as clients shift assets between accounts or products with different fee structures.
- **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 and emerging financial technology), court decisions and competitive considerations. A reduction in fee levels would reduce our revenues.
- **Interest Rate Changes.** Investor interest in and the valuation of our fixed income and multi-asset investment portfolios can be adversely affected by changes in interest rates, particularly if interest rates increase substantially and quickly.

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

**The industry-wide shift from actively managed investment services to passive services has adversely affected our investment advisory and services fees, revenues and results of operations, and this trend may continue.**

Our competitive environment has become increasingly difficult, as active managers, which invest based on individual security selection, have, on average, consistently underperformed passive services, which invest based on market indices. Active performance relative to benchmarks as of mid-2022 deteriorated from prior-year levels, with 40% of active managers outperforming their passive benchmarks for the 12 months ended June 30, 2022 (latest data available), compared to 47% for the prior 12-month period. U.S. stock active funds fared better than non-U.S. with 45% of U.S. active stock funds outperforming benchmarks, as compared with 23% for non-U.S. stock funds. Performance of actively managed bond funds decreased sharply in 2022, with just 29% outperforming benchmarks, representing a 44% decline compared to the prior-year period.

Flows into actively managed funds deteriorated industry-wide in 2022, with U.S. industry-wide active mutual fund outflows of \$974 billion in 2022, contrasted with inflows of \$148 billion in 2021. Active fixed income U.S. mutual funds experienced outflows of \$482 billion in 2022, compared to inflows of \$368 billion in 2021. Furthermore, active equity U.S. mutual fund outflows accelerated to \$432 billion in 2022, compared to outflows of \$191 billion in 2021. By contrast, demand for passive strategies in the U.S. continued to grow, though at a reduced rate from the prior year, as industry-wide total passive mutual fund net inflows of \$518 billion in 2022 compared to \$928 billion in 2021. Organic growth through net inflows continues to be difficult to achieve for active managers, such as AB, and requires taking market share from other active managers.

The significant shift from active services to passive services adversely affects Bernstein Research Services revenues as well. Institutional global market trading volumes continue to be pressured (notwithstanding the heightened market volatility and trading volume predominantly relating to COVID-19 in the first half of 2020) by persistent active equity outflows and passive equity inflows. As a result, portfolio turnover has declined and investors hold fewer shares that are actively traded by managers.

**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.

**EQH and its subsidiaries provide a significant amount of our AUM and fund a significant portion of our seed investments, and if our agreements with them terminate or they withdraw capital support it could have a material adverse effect on our business, results of operations and/or financial condition.**

EQH (our parent company) and its subsidiaries constitute our largest client. Our EQH affiliates represented approximately 16% of our AUM as of December 31, 2022, and we earned approximately 4% of our net revenues from services we provided to them. Our related investment management agreements are terminable at any time or on short notice by either party, and EQH is not under any obligation to maintain any level of AUM with us. A material adverse effect on our business, results of operations and/or financial condition could result if EQH were to terminate its investment management agreements with us.

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### **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 EQH and its subsidiaries, 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 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.

### **Performance-based fee arrangements with our clients may 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 under-performs relative to its performance target (whether in absolute terms or relative to a specified benchmark), it must gain back such under-performance 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 10.6%, 9.2% and 0.5% of the assets we manage for institutional clients, private wealth clients and retail clients, respectively (in total, 6.6% of our AUM). If the percentage of our AUM subject to performance-based fees increases, seasonality and volatility of revenue and earnings are likely to become more significant. Our performance-based fees were \$145.2 million, \$245.1 million and \$132.6 million in 2022, 2021 and 2020, respectively.

### **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, failure to settle our trades by significant counterparties and the effects of Brexit.**

Electronic, or "low-touch," trading represents a significant percentage of buy-side trading activity and typically produces transaction fees that are significantly lower than 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 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.

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 organizations, 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. Also, our ability to access liquidity in such situations may be limited by what our funding relationships are able to offer us at such times.

Lastly, extensive changes proposed by the SEC to the equity market structure, including Regulation Best Execution, the proposed Order Competition Rule and proposed changes to Regulation NMA establishing, among other things, minimum pricing increments and required disclosures by larger broker-dealers and specified trading platforms, if adopted as proposed, could substantially increase the cost of conducting our buy-side and broker-dealer operations and, possibly, adversely impact trade execution quality.

We discuss the risks associated with Brexit *below in "Legal and Regulatory-related Risks" in this Item 1A.*

**We may be unable to develop new products and services, and the development of new products and services may expose us to reputational harm, additional costs or operational risk.**

Our financial performance depends, in part, on our ability to react nimbly to changes in the asset management industry, respond to evolving client needs, and develop, market and manage new investment products and services. Conversely, the development and introduction of new products and services, including the creation of products with concentrations in industries or sectors specific to individual client criteria, or with a focus on ESG, requires continuous innovative effort on our part and may require significant time and resources as well as ongoing support and investment. Substantial risk and uncertainties are associated with the introduction of new products and services, including the implementation of new and appropriate operational controls and procedures, shifting client and market preferences, the introduction of competing products or services, and compliance with regulatory and disclosure requirements. We can make no assurance that we will be able to develop new products and services that successfully address the needs of clients within needed timeframes. Any failure to successfully develop new products and services, or effectively manage associated operational risks, could harm our reputation and expose us to additional costs, which could adversely affect our AUM, revenues and operating income.

**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 revenues and our AUM denominated in these other currencies. Accordingly, fluctuations in U.S. dollar exchange rates 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, swap and option 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. 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, swaps and option 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).

**We may engage in strategic transactions that could pose risks.**

As part of our business strategy, we consider potential strategic transactions, including acquisitions (such as our purchase of CarVal Investors in 2022), dispositions, mergers, consolidations, joint venture partnerships (such as our planned joint venture partnership with SocGen) and similar transactions, some of which may be material. These transactions, if undertaken, may involve various 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;
- potential disputes with counterparties; and
- the possible need for us to increase our firm's leverage or, if we fund the purchase price of a transaction with AB Units or AB Holding Units, likely dilution to our existing unitholders.

Acquisitions also pose the risk that any business we acquire may lose customers or employees or could under-perform 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.

**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, consisting 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.

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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.

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

We use quantitative and systematic models in a variety of our investment services, generally in combination with fundamental research. These models are developed by senior quantitative professionals and typically are implemented by IT professionals. Our Model Risk Oversight Committee oversees the model governance framework and associated model review activities, which are then executed by our Model Risk Team. However, due to the complexity and large data dependency 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 reputational damage.

### **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 often 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*.

## People-related Risks

### **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, investment, managerial and executive personnel, and there is no assurance that we will be able to continue to do so.

The market for these professionals is extremely competitive. Certain of these professionals 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 factors could have a material adverse effect on our results of operations and business prospects.

Additionally, 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 operating margin. For additional information regarding our compensation practices, see *"Compensation Discussion and Analysis" in Item 11*.

### **Our process of relocating our headquarters may not be executed as we have envisioned.**

We have established our corporate headquarters in and have relocated a total of approximately 1,250 jobs previously located in the New York metropolitan area to Nashville, Tennessee (for additional information, see *"Relocation Strategy" in Item 7*). Although the eventual impact on AB from this process is not yet known, the uncertainty created by these circumstances could adversely affect AB's ability to motivate and retain current employees. Further, significant managerial and operational challenges could arise if the firm encounters more difficulty than expected in hiring qualified employees to help staff our Nashville headquarters.

Additionally, our estimates for both the transition costs and the corresponding expense savings relating to our headquarters relocation are based on our current assumptions of employee relocation costs, severance, and overlapping compensation and occupancy costs. If our assumptions turn out to be inaccurate, our expenses and operating income could be adversely affected.

### **Employee misconduct, which can be difficult to detect and deter, could harm us by impairing our ability to attract and retain clients and subjecting us to significant regulatory scrutiny, legal liability and reputational harm.**

There have been several highly publicized cases involving fraud or other misconduct by employees in the financial services industry generally, and we are not immune. Misconduct by employees could involve the improper use or disclosure of confidential information, which could result in legal action, regulatory sanctions, and reputational or financial harm. Further, fraud, payment or solicitation of bribes and other deceptive practices or other misconduct by our employees could similarly subject us to regulatory scrutiny, legal liability and reputational damage.

## Operational, Technology and Cyber-related Risks

**Technology failures and disruptions, including failures to properly safeguard confidential information, can significantly constrain our operations and result in significant time and expense to remediate, which could result in a material adverse effect on our results of operations and business prospects.**

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, store and maintain data, and provide reports and other services to our clients. Despite our 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 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.

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.

Also, 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.

**Any significant security breach of our information and cyber security infrastructure, as well as our failure to properly escalate and respond to such an incident, may significantly harm our operations and reputation.**

It is critical that we ensure the continuity and effectiveness of our information and cyber security infrastructure, policies, procedures and capabilities to protect our computer and telecommunications systems and the data that reside on or are transmitted through them and contracted third-party systems. Although we take protective measures, including measures to effectively secure information through system security technology, our technology systems may still be vulnerable to unauthorized access, supply chain attacks, computer viruses or other events that have a security impact, such as an external attack by one or more cyber criminals (including phishing attacks attempting to obtain confidential information and ransomware attacks attempting to block access to a computer system until a sum of money is paid), which could materially harm our operations and reputation. Additionally, while we take precautions to password protect and encrypt our laptops and sensitive information on our other mobile electronic devices, if such devices are stolen, misplaced or left unattended, they may become vulnerable to hacking or other unauthorized use, creating a possible security risk and resulting in potentially costly actions by us.

Furthermore, although we maintain a robust cyber security infrastructure and incident preparedness strategy, which we test frequently, we may be unable to respond, both internally and externally, to a cyber incident in a sufficiently expeditious manner. Any such failure could cause significant harm to our reputation and result in litigation, regulatory scrutiny and/or significant remediation costs.

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### **Climate change and other unpredictable events, including outbreak of infectious disease, 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 disease (such as the ongoing COVID-19 pandemic) 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;
- breaching our information and cyber security infrastructure; and
- requiring substantial capital expenditures and operating expenses to remediate damage and restore operations.

Furthermore, climate change may increase the severity and frequency of catastrophes, or adversely affect our investment portfolio or investor sentiment. Climate change may also increase the frequency and severity of weather-related disasters and pandemics. And, climate change regulation may affect the prospects of companies and other entities whose securities in which we invest, or our willingness to continue to invest in such securities.

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, including in key business centers where we have significant operations, such as Nashville, Tennessee, New York City, London, England, and Hong Kong, 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.

### **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.

### **The individuals and third-party vendors 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. Default rates, credit 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 and impair our ability to conduct business.

Weaknesses or failures within a third-party vendor's internal processes or systems, or inadequate business continuity plans, can materially disrupt our business operations. Also, third-party vendors may lack the necessary infrastructure 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 reputational damage.

**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.

**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.

Both Moody's Investors Service, Inc. and Standard & Poor's Rating Service affirmed AB's long-term and short-term credit ratings and indicated a stable outlook in 2022. 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.

**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 deteriorate, or if we experience significant net redemptions, our AUM, revenues, profitability and unit price will 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 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*.

**The insurance that we purchase may not fully cover all potential exposures.**

We maintain professional liability, errors & omissions, fidelity, cyber, property, casualty, business interruption and other types of insurance, but such insurance may not cover all risks associated with the operation of our business. Our coverage is subject to exclusions and limitations, including high self-insured retentions or deductibles and maximum limits and liabilities covered. In addition, from time to time, various types of insurance may not be available on commercially acceptable terms or, in some cases, at all. We can make no assurance that a claim or claims will be covered by our insurance policies or, if covered, will not exceed our available insurance coverage, or that our insurers will remain solvent and meet their obligations.

In the future, we may not be able to obtain coverage at current levels, if at all, and our premiums may increase significantly on coverage that we maintain. Also, we currently are party to certain joint insurance arrangements with subsidiaries of EQH. If our affiliates choose not to include us as insured parties under any such policies, we may need to obtain stand-alone insurance coverage, which could have coverage terms that are less beneficial to us and/or cost more.

## Legal and Regulatory-related Risks

**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.

## Part I

In recent years, global regulators have substantially increased their oversight of financial services. Some of the newly-adopted and proposed regulations are focused on investment management services. Others, while more broadly focused, nonetheless impact our business. Moreover, the adoption of new laws, regulations or standards and changes in the interpretation or enforcement of existing laws, regulations or standards have directly affected, and will continue to affect, our business, including making our efforts to comply more expensive and time-consuming.

For example, there has been increasing regulatory focus on ESG-related practices by investment managers. The SEC is poised in 2023 to issue a rule enhancing and standardizing climate disclosures by U.S. public companies, including investment managers. The SEC also has focused on the labeling by investment funds of their activities or investments as "sustainable" and has examined the methodology used by funds for determining ESG investments, with a keen focus on whether such labeling may be misleading. Outside the U.S., the European Commission has adopted an action plan on financing sustainable growth, as well as initiatives at the European Union (the "EU") level, such as the EU Sustainable Finance Disclosure Regulation (the "SFDR"). Compliance with the SFDR and other ESG-related regulations may subject us to increased restrictions, disclosure obligations, and compliance and other associated costs, as well as potential reputational harm.

Also, in 2015 the Financial Supervisory Commission in Taiwan (the "FSC") implemented new limits on the degree to which local investors can own an offshore investment product. While certain exemptions have been available to us, should we not continue to qualify, the FSC's 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 FSC limits. This could lead to significant declines in our investment advisory and services fees and revenues earned from these funds.

Additionally, in July 2017 the Chief Executive of the U.K. Financial Conduct Authority (the "FCA"), which regulates the London Interbank Offered Rate, or "LIBOR," as a "benchmark" or "reference rate" for various interest rate calculations, announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021. In November 2020, the ICE Benchmark Administration Limited announced a plan to extend the date as of which most U.S. LIBOR values would cease being computed from December 31, 2021 to June 30, 2023. Although financial regulators and industry working groups have suggested alternative reference rates, global consensus on alternative rates is lacking and the process for amending existing contracts or instruments to transition away from LIBOR remains unclear. The elimination of LIBOR or changes to other reference rates or any other changes or reforms to the determination or supervision of reference rates may adversely affect the amount of interest payable or interest receivable on certain of our firm's portfolio investments. These changes may also impact the market liquidity and market value of these portfolio investments. We are finalizing our global assessment of exposure in relation to funds utilizing LIBOR based instruments and benchmarks. Further, we are prioritizing the mitigation of risks associated with the forecast changes to financial instruments and performance benchmarks referencing existing LIBOR rates, and concurrently any impact on AB portfolios and investment strategies.

Lastly, it also is uncertain how regulatory trends will further evolve, both in the U.S. and abroad. For example, following the Brexit referendum in June 2016, the U.K.'s departure from the EU resulted in the U.K. leaving the EU Single Market on December 31, 2020. While the U.K. and the EU have agreed to a trade deal, which took effect on January 1, 2021, this deal does not include specific arrangements for financial services. Accordingly, since the start of 2021, our U.K.-based buy-side and sell-side subsidiaries have implemented alternative arrangements in EU jurisdictions (utilizing AB's EU-based subsidiaries) to ensure continued operations in the EU Single Market. These arrangements are subject to potential change due to ongoing negotiations between the U.K. and the EU on future regulatory cooperation, and it is difficult to ascertain how any such changes may impact the ability of our U.K.-based subsidiaries to provide services to EU-based clients in the future.

**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.

## 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 (the "**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 EQH and the General Partner pursuant to the AB Partnership Agreement. Generally, neither EQH 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. EQH 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@alliancebernstein.com*). Also, we have filed the transfer program as Exhibit 10.07 to this Form 10-K.

**Changes in the treatment of AB Holding and AB as partnerships for tax purposes would have significant tax ramifications.**

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, AB Holding is a PTP that is taxable as a partnership for federal income tax purposes. To preserve AB Holding's status as a PTP that is taxed as a partnership for federal income tax purposes, AB Holding must 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% (by value) of its total assets in, the new line of business.

To preserve AB's status as a private partnership for federal income tax purposes, AB Units must not be considered publicly traded.

If either or both AB Holding and AB were taxable as a corporation, the return on investment to Unitholders generally would be reduced because distributions to Unitholders generally would be subject to two layers of taxation: first, amounts available for distribution would be subject to federal (and applicable state and local) taxes at the corporate entity level; and second, Unitholders generally would be subject to federal (and applicable state and local) taxes upon receipt of dividends.

AB Holding and AB are subject to the 4.0% New York City unincorporated business tax ("UBT"). AB Holding may net credits for UBT paid by AB.

**Changes in tax law governing us or an increase in business activities outside the U.S. could have a material impact on us.**

Legislative proposals have been or may be introduced that, if enacted, could have a material adverse effect on us. We cannot predict the outcome of such legislative proposals.

Each of AB's non-U.S. corporate subsidiaries generally is subject to taxes in the foreign jurisdiction where it is located. If our business increasingly operates in countries other than the U.S., or if there are changes in tax law or rates of taxation in foreign jurisdictions where our corporate subsidiaries operate, AB's effective tax rate could increase.

**If any audit by the Internal Revenue Service ("IRS") of our income tax returns for any of our taxable years 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.**

For taxable years beginning after December 31, 2017, a "partnership representative" that we designate (a "**Partnership Representative**") will have the sole authority to act on our behalf for purposes of, among other things, IRS audits and related proceedings (and any similar state or local audits and proceedings). Any actions taken by us or by the Partnership Representative on our behalf in connection with such audits or proceedings will be binding on us and our Unitholders.

For an audit of a partnership's taxable years beginning after December 31, 2017, the IRS, absent an election by the partnership to the contrary (see *discussion below*), generally determines adjustments at the partnership level in the year in which the audit is resolved.

Generally, we will have the ability to collect any resulting tax liability (and any related interest and penalties) 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. In particular, with respect to AB Holding, our Partnership Representative may, in certain instances, request that any "imputed under-payment" resulting from an audit be adjusted by amounts of certain of our passive losses. If we successfully make such a request, we would have to reduce suspended passive loss carryovers in a manner which is binding on the partners.

## Part I

In addition, for taxable years beginning after December 31, 2017, we may, but are not required to, make an election to require our Unitholders to take into account on their income tax returns an audit adjustment made to our income tax items, also known as a “push-out” election. This may also require Unitholders to provide certain information to us (possibly including information about the beneficial owners of our Unitholders). Also, a partnership that is a partner of another partnership (such as AB Holding with respect to AB) may elect to have its unitholders take an audit adjustment of the lower-tier partnership into account (i.e., the upper-tier partnership may push adjustments received from the lower-tier partnership through to the partners of the upper-tier partnership). There are several requirements to make a “push-out” election and we may be unable or unwilling to comply with such requirements. If we do not make a “push-out” election, we would be required to pay any tax resulting from the adjustments to our income tax items, and the cash available for distribution to unitholders would be substantially reduced.

### **Non-U.S. unitholders may be subject to withholding tax on the sale of their AB Units or AB Holding Units, as well as on distributions, and we may be liable for any under-withholding.**

Gain or loss from the sale or exchange of a partnership unit by a non-U.S. unitholder is treated as effectively connected with a U.S. trade or business and is subject to U.S. federal income tax to the extent that the non-U.S. unitholder would have had effectively connected gain or loss on a hypothetical sale by the partnership of all of its assets at fair market value as of the date of the sale or exchange of the partnership units. In furtherance of the foregoing, a transferee of a partnership unit is required to withhold a tax equal to 10% of the amount realized on any transfer of such a partnership unit unless an exception applies.

Distributions by a PTP to a non-U.S. unitholder also are subject to U.S. withholding tax if the PTP has effectively connected gross income, gain or loss.

A transferee is not required to withhold tax if it relies on a certification issued by the transferor or the underlying partnership establishing that an exception to withholding applies. If a transferee of AB Units is required to withhold and failed to properly do so, AB would be required to withhold on distributions to the transferee to satisfy that liability.

A broker is not required to withhold on the transfer of an interest in a PTP or on a distribution by a PTP if the PTP certifies that the “10% exception” applies. This exception applies if, either (1) the PTP was not engaged in a U.S. trade or business during a specified time period, or (2) upon a hypothetical sale of the PTP’s assets at fair market value, (i) the amount of net gain that would have been effectively connected with the conduct of a trade or business within the U.S. would be less than 10% of the total net gain, or (ii) no gain would have been effectively connected with the conduct of a trade or business in the U.S.

To make this certification, the PTP must issue a “qualified notice” indicating that it qualifies for this exception, which we have done and intend to continue to do. The qualified notice must state the amount of a distribution that is attributable to each type of income group specified in the Treasury Regulations. The PTP must post each qualified notice on its primary public website (and keep it accessible for 10 years) and deliver it to any registered holder that is a nominee. A broker may not rely on such a certification if it has actual knowledge that the certification is incorrect or unreliable.

As a PTP, beginning on January 1, 2023, AB Holding may be liable for any under-withholding by a broker that relies on a qualified notice for which we failed to make a reasonable estimate of the amounts required for determining the applicability of the 10% exception.

## Item 1B. Unresolved Staff Comments

Neither AB nor AB Holding has unresolved comments from the staff of the SEC to report.

## Item 2. Properties

Our headquarters is located at 501 Commerce Street, Nashville, Tennessee. We occupy 218,976 square feet of space at this location under a 15-year lease agreement that commenced in the fourth quarter of 2020.

We lease space at our other principal location, 1345 Avenue of the Americas, New York, New York pursuant to a lease expiring in 2024. At this location, we currently lease 999,963 square feet of space, within which we currently occupy approximately 512,284 square feet of space and have sub-let approximately 487,679 square feet of space.

Also, we entered into a 20-year lease agreement in New York, New York, at 66 Hudson Boulevard, for 165,608 square feet that is expected to commence in 2024.

We also lease 50,792 square feet of space in San Antonio, Texas under a lease expiring in 2029.

In addition, we lease more modest amounts of space in 23 other cities in the United States.

Our subsidiaries lease space in 30 cities outside the United States, the most significant of which is a lease in London, England, expiring in 2031, and in Hong Kong, China, under a lease expiring in 2024. In London we currently lease 60,732 square feet of space. In Hong Kong, we currently lease and occupy 35,878 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.

On December 14, 2022, four individual participants in the Profit Sharing Plan for Employees of AB (the "**AB Profit Sharing Plan**") filed a class action complaint (the "**Complaint**") in the U.S. District Court for the Southern District of New York against AB, current and former members of the Compensation and Workplace Practices Committee of the Board of Directors, and the Investment and Administrative Committees under the AB Profit Sharing Plan. Plaintiffs, who seek to represent a class of all participants in the AB Profit Sharing Plan from December 14, 2016 to the present, allege that defendants violated their fiduciary duties and engaged in prohibited transactions under ERISA by including proprietary collective investment trusts as investment options offered in the AB Profit Sharing Plan. The Complaint seeks unspecified damages, disgorgement and other equitable relief. AB is prepared to defend itself vigorously against these claims. While the outcome of this matter currently is not determinable given the matter remains in its early stages, we do not believe this litigation will have a material adverse effect on our results of operations, financial condition or liquidity.

AB may be involved in various other matters, including regulatory inquiries, administrative proceedings and litigation, some of which may allege significant damages. It is reasonably possible that we could incur losses pertaining to these matters, but we cannot currently estimate any such 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.

## Item 4. Mine Safety Disclosures

Not applicable.

## Part II

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### 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. For additional information concerning distribution of Available Cash Flow by AB, see Note 2 to AB’s consolidated financial statements in Item 8.

On December 30, 2022 (the last trading day of the year), the closing price of an AB Holding Unit on the NYSE was \$34.37 per Unit. On December 31, 2022, there were (i) 893 AB Holding Unitholders of record for approximately 116,000 beneficial owners, and (ii) 368 AB Unitholders of record (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, 2022, 2021 and 2020, except as previously disclosed in a Current Report on Form 8-K dated July 1, 2022.

#### Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Each quarter, AB considers whether to implement a plan to repurchase AB Holding Units pursuant to Rules 10b5-1 and 10b-18 under the Exchange Act. We did not, however, adopt a plan during the fourth quarter of 2022. AB may adopt additional 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 2022 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
10/1/22-10/31/22	—	\$ —	—	—
11/1/22-11/30/22	—	—	—	—
12/1/22-12/31/22 <sup>(1)</sup>	2,558,363	40.70	—	—
<b>Total</b>	<b>2,558,363</b>	<b>\$ 40.70</b>	<b>—</b>	<b>—</b>

<sup>(1)</sup> During the fourth quarter of 2022, we purchased 2,558,363 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.

Neither we nor our affiliates bought any AB Units during the fourth quarter of 2022.

Part II

Item 6. [Reserved]

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

### Impact of COVID-19

AB continues to actively monitor COVID-19 developments and their impact on our employees, business and operations. The aggregate extent to which COVID-19, including its impact on the global economy, affects AB's business, liquidity, results of operations and financial condition, will depend on future COVID-19 developments that are highly uncertain, including the scope and duration of COVID-19 and any recovery period, the emergence, spread and seriousness of COVID-19 variants, the continuing prevalence of severe, unconstrained and/or escalating rates of infection and hospitalization in various countries and regions, the availability, adoption and efficacy of treatments and vaccines, and future actions taken by governmental authorities, central banks and other parties in response to COVID-19. Further, we have benefited from certain of our adjusted operating expenses declining significantly due to COVID-19, generally owing to depressed levels of travel and entertainment and in-person client meetings, during both 2020 and 2021. While these costs started to return in 2022, results in 2022 did not reach historical levels; the prior-year savings are not indicative of our future performance. Additionally, as most of our workforce continues working in a hybrid model, which includes the option of two remote days each week, we are mindful of increased risk related to cybersecurity, which could significantly disrupt our business functions.

### Executive Overview<sup>(1)</sup>

Our total assets under management ("AUM") as of December 31, 2022 were \$646.4 billion, down \$132.2 billion, or 17.0%, during 2022. The decrease was driven primarily by market depreciation of \$140.4 billion and net outflows of \$3.6 billion (reflecting Retail net outflows of \$11.6 billion, offset by Institutional net inflows of \$6.3 billion and Private Wealth Management net inflows of \$1.7 billion), offset by the addition of \$12.2 billion due to the acquisition of CarVal Investors L.P. ("CarVal") in the third quarter. AXA S.A. ("AXA") redeemed approximately \$4.5 billion of low-fee fixed income and equity mandates in 2022. Going forward, any AXA-related redemptions or new sales (reflecting, for example, recent commitments by AXA to certain of our private alternative strategies) will be considered as part of our normal course of business.

Institutional AUM decreased \$39.8 billion, or 11.8%, to \$297.3 billion during 2022, primarily due to market depreciation of \$57.8 billion, partially offset by the addition of \$12.2 billion due to the acquisition of CarVal and net inflows of \$6.3 billion. Gross sales increased \$0.5 billion, from \$31.7 billion in 2021 to \$32.2 billion in 2022. Redemptions and terminations decreased \$10.1 billion, from \$23.4 billion in 2021 to \$13.3 billion in 2022. Institutional net inflows included \$2.3 billion of AXA redemptions.

Retail AUM decreased \$77.0 billion, or 24.1%, to \$242.9 billion during 2022, primarily due to market depreciation of \$65.5 billion and net outflows of \$11.6 billion. Net outflows included \$2.2 billion of AXA redemptions. Gross sales decreased \$34.1 billion, from \$100.0 billion in 2021 to \$65.9 billion in 2022. Redemptions and terminations increased \$1.2 billion, from \$65.1 billion in 2021 to \$66.3 billion in 2022.

Private Wealth Management AUM decreased \$15.4 billion, or 12.6%, to \$106.2 billion during 2022, due to market depreciation of \$17.1 billion, offset by net inflows of \$1.7 billion. Gross sales decreased \$0.8 billion, from \$18.3 billion in 2021 to \$17.5 billion in 2022. Redemptions and terminations increased \$0.5 billion, from \$15.3 billion in 2021 to \$15.8 billion in 2022.

Bernstein Research Services ("BRS") revenue decreased \$35.7 million, or 7.9%, in 2022. The decrease was driven by significantly lower customer trading activity in Europe and Asia due to local market conditions. In the fourth quarter of 2022, AB and Société Générale (EURONEXT: SCGLY, "SocGen"), a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses. As a result, the BRS business has been classified as held for sale. For further discussion, see *Note 24 Acquisitions and Divestitures to our consolidated financial statements in Item 8*.

Our 2022 net revenues of \$4.1 billion decreased \$387.3 million, or 8.7%, compared to net revenues of \$4.4 billion in the prior year. The decrease was primarily driven by lower base advisory fees of \$123.6 million, higher investment losses of \$101.8 million, lower performance-based fees of \$99.9 million, lower distribution revenues of \$45.0 million, lower Bernstein Research Services revenue of \$35.7 million and lower shareholder servicing fees of \$3.6 million, partially offset by higher net dividend and interest income of \$21.6 million. Our operating expenses of \$3.2 billion increased \$14.1 million, or 0.4%, compared to the prior year. The increase was primarily due to higher general and administrative expenses of \$86.0 million, higher amortization of intangible assets of \$20.9 million, higher interest on borrowings of \$12.8 million and higher contingent payment arrangements of \$3.9 million, offset by lower promotion and servicing expenses of \$60.1 million and lower employee compensation and benefits expenses of \$49.4 million. Our operating income decreased \$401.4 million, or 33.0%, to \$0.8 billion from \$1.2 billion in 2021 and our operating margin decreased to 21.5% in 2022 from 27.3% in 2021.

<sup>1</sup> Percentage change figures are calculated using assets under management rounded to the nearest million, while financial statement amounts are rounded to the nearest hundred thousand.

## Part II

## Market Environment

While equity markets were positive in the fourth quarter of 2022, with the S&P 500 Index ("**S&P**") and Dow Jones Industrial Average both registering gains, both indexes declined for the full year ended December 31, 2022. The S&P declined 18.1% for the full year, while the Nasdaq declined by 33.1% and was down 8.7% in December. Inflation remains the dominant issue for U.S. markets, fueling consumer concerns of a potential recession. While the U.S. consumer has been largely resilient so far, higher interest rates have weighed on home building, trade and business investments. Despite signs that the labor market and inflation are easing, the Federal Reserve has maintained its aggressive stance on monetary policy. At its December meeting, the Federal Reserve increased interest rates and indicated that, while future rate increases are likely to be less severe, they continue to be needed.

In the U.K., the new prime minister reversed the tax cuts introduced by his predecessor and added some tax increases. These actions calmed the market and reduced the pressure on mortgage rates. However, monetary tightening, steep energy prices and supply-side constraints from Brexit create a challenging outlook for consumers.

In China, key watch-points include the property market and overall growth in the economy. The Chinese government has announced new support measures, but it is unclear whether these measures will be sufficient to re-create historical growth patterns.

## Relationship with EQH and its Subsidiaries

EQH (*our parent company*) and its subsidiaries are our largest client. EQH is collaborating with AB in order to improve the risk-adjusted yield for the General Accounts of EQH's insurance subsidiaries by investing additional assets at AB, including the utilization of AB's higher-fee, longer-duration alternative offerings. Equitable Financial Life Insurance Company, a subsidiary of EQH ("**Equitable Financial**"), has agreed to provide \$10 billion in permanent capital<sup>2</sup> to build out AB's private illiquid offerings, including private alternatives and private placements. Deployment of this capital commitment is more than 50% completed and is expected to continue over approximately the next two years. We expect this anticipated capital from Equitable Financial will continue to accelerate both organic and inorganic growth in our private alternatives business, allowing us to continue to deliver for our clients, employees, unitholders and other stakeholders. For example, included in this \$10 billion commitment by EQH is \$750 million in capital to be deployed through AB CarVal.

## Relocation Strategy

As previously announced, we have established our corporate headquarters in Nashville, TN, at 501 Commerce Street. Our Nashville headquarters houses Finance, IT, Operations, Legal, Compliance, Internal Audit, Human Capital, and Sales and Marketing, and at year-end 2022 we had 1,079 employees in Nashville. We expect to reach a total of 1,250 employees in Nashville by the end of 2024. We will continue to maintain a principal location in New York City, which houses our Portfolio Management, Sell-Side Research and Trading, and New York-based Private Wealth Management businesses.

We believe relocating our corporate headquarters to Nashville affords us the opportunity to provide an improved quality of life alternative for our employees and enables us to attract and recruit new talented employees to a highly desirable location while improving the long-term cost structure of the firm.

During the transition period, which began in 2018 and is expected to continue through 2024, we currently estimate that we will incur transition costs of between \$145 million to \$155 million. These costs include employee relocation, severance, recruitment, and overlapping compensation and occupancy costs. Over this same period, we expect to realize total expense savings of between \$205 million to \$215 million. However, we did incur some transition costs before we began to realize expense savings. For the period beginning in 2018 and ending in the fourth quarter of 2022, we incurred \$120 million of cumulative transition costs compared to \$132 million of cumulative savings. In addition, we incurred \$24 million of transition costs for the twelve months ended December 31, 2022, compared to \$43 million of expense savings, resulting in an overall net savings of \$19 million for the period. In 2022, our net income per unit ("**EPU**") increased \$0.07 as a result of our relocation strategy, which compares to the \$0.06 EPU increase that occurred in 2021. We also expect to achieve EPU accretion in each future year. Beginning in 2025, once the transition period has been completed, we estimate ongoing annual expense savings of approximately \$75 million to \$80 million, which will result from a combination of occupancy and compensation-related savings. Our estimates for both the transition costs and the corresponding expense savings are based on our current assumptions of employee relocation costs, severance, and overlapping compensation and occupancy costs. In addition, our estimates for both the timing of when we incur transition costs and realize the related expense savings are based on our current relocation implementation plan and the timing for execution of each phase. The actual total charges we eventually record, the related expense savings we realize, and the timing of EPU impact may differ from our current estimates as we implement each phase of our headquarters relocation.

<sup>2</sup> Permanent capital means investment capital of indefinite duration, which may be withdrawn under certain conditions. Although Equitable Financial has indicated its intention over time to provide this investment capital to AB, which is mutually beneficial to both firms, it has no binding commitment to do so.

During October 2018, we signed a lease, which commenced in the fourth quarter of 2020, relating to 218,976 square feet of space at our new Nashville headquarters. Our estimated total base rent obligation (excluding taxes, operating expenses and utilities) over the 15-year initial lease term is \$134 million.

Although we have presented many of our transition costs and annual expense savings with numerical specificity, and we believe these targets to be reasonable as of the date of this report, the uncertainties surrounding the assumptions we discuss above create a significant risk that these targets may not be achieved. Accordingly, the expenses we actually incur and the savings we actually realize may differ from our targets, particularly if actual events adversely differ from one or more of our key assumptions. The transition costs and expense savings, together with their underlying assumptions, are Forward-Looking Statements and can be affected by any of the factors discussed in “Risk Factors” and “Cautions Regarding Forward-Looking Statements” in this 2022 10-K. We strongly caution investors not to place undue reliance on any of these assumptions or our cost and expense targets. Except as may be required by applicable securities laws, we are not under any obligation, and we expressly disclaim any obligation, to update or alter any assumptions, estimates, financial goals, targets, projections or other related statements that we may make.

## Assets Under Management

Assets under management by distribution channel are as follows:

	As of December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in billions)				
Institutions	\$ 297.3	\$ 337.1	\$ 315.6	(11.8 %)	6.8 %
Retail	242.9	319.9	265.3	(24.1)	20.6
Private Wealth Management	106.2	121.6	105.0	(12.6)	15.8
<b>Total</b>	<b>\$ 646.4</b>	<b>\$ 778.6</b>	<b>\$ 685.9</b>	<b>(17.0)</b>	<b>13.5</b>

Assets under management by investment service are as follows:

	As of December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in billions)				
<b>Equity</b>					
Actively Managed	\$ 217.9	\$ 287.6	\$ 217.8	(24.2 %)	32.1 %
Passively Managed <sup>(1)</sup>	53.8	71.6	64.5	(24.8)	10.9
<b>Total Equity</b>	<b>271.7</b>	<b>359.2</b>	<b>282.3</b>	<b>(24.3)</b>	<b>27.2</b>
<b>Fixed Income</b>					
Actively Managed					
Taxable	190.3	246.3	263.2	(22.8)	(6.4)
Tax-exempt	52.5	57.1	50.3	(7.9)	13.6
<b>Total</b>	<b>242.8</b>	<b>303.4</b>	<b>313.5</b>	<b>(20.0)</b>	<b>(3.2)</b>
Passively Managed <sup>(1)</sup>	9.4	13.2	8.5	(28.9)	55.3
<b>Total Fixed Income</b>	<b>252.2</b>	<b>316.6</b>	<b>322.0</b>	<b>(20.3)</b>	<b>(1.7)</b>
<b>Alternatives/Multi-Asset Solutions<sup>(2)</sup></b>					
Actively Managed	115.8	97.3	79.1	19.1	23.0
Passively Managed <sup>(1)</sup>	6.7	5.5	2.5	21.5	116.6
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>122.5</b>	<b>102.8</b>	<b>81.6</b>	<b>19.2</b>	<b>25.9</b>
<b>Total</b>	<b>\$ 646.4</b>	<b>\$ 778.6</b>	<b>\$ 685.9</b>	<b>(17.0 %)</b>	<b>13.5 %</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

## Part II

Changes in assets under management during 2022 and 2021 are as follows:

	Distribution Channel			
	Institutions	Retail	Private Wealth Management	Total
	(in billions)			
<b>Balance as of December 31, 2021</b>	<b>\$ 337.1</b>	<b>\$ 319.9</b>	<b>\$ 121.6</b>	<b>\$ 778.6</b>
Long-term flows:				
Sales/new accounts	32.2	65.9	17.5	115.6
Redemptions/terminations	(13.3)	(66.3)	(15.8)	(95.4)
Cash flow/unreinvested dividends	(12.6)	(11.2)	—	(23.8)
Net long-term inflows (outflows) <sup>(1)</sup>	6.3	(11.6)	1.7	(3.6)
Adjustments <sup>(2)</sup>	(0.4)	—	—	(0.4)
Acquisition <sup>(3)</sup>	12.2	—	—	12.2
Transfers	(0.1)	0.1	—	—
Market depreciation	(57.8)	(65.5)	(17.1)	(140.4)
Net change	(39.8)	(77.0)	(15.4)	(132.2)
<b>Balance as of December 31, 2022</b>	<b>\$ 297.3</b>	<b>\$ 242.9</b>	<b>\$ 106.2</b>	<b>\$ 646.4</b>
<b>Balance as of December 31, 2020</b>	<b>\$ 315.6</b>	<b>\$ 265.3</b>	<b>\$ 105.0</b>	<b>\$ 685.9</b>
Long-term flows:				
Sales/new accounts	31.7	100.0	18.3	150.0
Redemptions/terminations	(23.4)	(65.1)	(15.3)	(103.8)
Cash flow/unreinvested dividends	(6.0)	(14.1)	—	(20.1)
Net long-term inflows <sup>(1)</sup>	2.3	20.8	3.0	26.1
Transfers	(0.2)	0.2	—	—
Market appreciation	19.4	33.6	13.6	66.6
Net change	21.5	54.6	16.6	92.7
<b>Balance as of December 31, 2021</b>	<b>\$ 337.1</b>	<b>\$ 319.9</b>	<b>\$ 121.6</b>	<b>\$ 778.6</b>

<sup>(1)</sup> Net flows include \$4.5 billion and \$1.3 billion of AXA redemptions for 2022 and 2021, respectively.

<sup>(2)</sup> Approximately \$0.4 billion of Institutional AUM was removed from our total assets under management during the second quarter of 2022 due to a change in the fee structure.

<sup>(3)</sup> The CarVal acquisition added approximately \$12.2 billion of Institutional AUM in the third quarter of 2022.

Investment Service							
	Equity Actively Managed	Equity Passively Managed <sup>(1)</sup>	Fixed Income Actively Managed- Taxable	Fixed Income Actively Managed-Tax- Exempt	Fixed Income Passively Managed <sup>(1)</sup>	Alternatives/ Multi-Asset Solutions <sup>(2)</sup>	Total
(in billions)							
<b>Balance as of December 31, 2021</b>	<b>\$ 287.6</b>	<b>\$ 71.6</b>	<b>\$ 246.3</b>	<b>\$ 57.1</b>	<b>\$ 13.2</b>	<b>\$ 102.8</b>	<b>\$ 778.6</b>
Long-term flows:							
Sales/new accounts	46.0	1.8	25.5	16.0	(0.1)	26.4	115.6
Redemptions/terminations	(39.0)	(3.1)	(32.6)	(15.0)	(1.5)	(4.2)	(95.4)
Cash flow/unreinvested dividends	(9.7)	(4.0)	(10.8)	(0.4)	0.3	0.8	(23.8)
Net long-term (outflows) inflows <sup>(3)</sup>	(2.7)	(5.3)	(17.9)	0.6	(1.3)	23.0	(3.6)
Adjustments <sup>(4)</sup>	—	—	—	—	—	(0.4)	(0.4)
Acquisition <sup>(5)</sup>	—	—	—	—	—	12.2	12.2
Market (depreciation)	(67.0)	(12.5)	(38.1)	(5.2)	(2.5)	(15.1)	(140.4)
Net change	(69.7)	(17.8)	(56.0)	(4.6)	(3.8)	19.7	(132.2)
<b>Balance as of December 31, 2022</b>	<b>\$ 217.9</b>	<b>\$ 53.8</b>	<b>\$ 190.3</b>	<b>\$ 52.5</b>	<b>\$ 9.4</b>	<b>\$ 122.5</b>	<b>\$ 646.4</b>
<b>Balance as of December 31, 2020</b>	<b>\$ 217.8</b>	<b>\$ 64.5</b>	<b>\$ 263.2</b>	<b>\$ 50.3</b>	<b>\$ 8.5</b>	<b>\$ 81.6</b>	<b>\$ 685.9</b>
Long-term flows:							
Sales/new accounts	72.9	1.4	44.9	13.5	4.6	12.7	150.0
Redemptions/terminations	(39.6)	(1.1)	(52.6)	(7.8)	(0.4)	(2.3)	(103.8)
Cash flow/unreinvested dividends	(11.4)	(7.8)	(2.2)	0.3	0.8	0.2	(20.1)
Net long-term inflows (outflows) <sup>(3)</sup>	21.9	(7.5)	(9.9)	6.0	5.0	10.6	26.1
Market appreciation (depreciation)	47.9	14.6	(7.0)	0.8	(0.3)	10.6	66.6
Net change	69.8	7.1	(16.9)	6.8	4.7	21.2	92.7
<b>Balance as of December 31, 2021</b>	<b>\$ 287.6</b>	<b>\$ 71.6</b>	<b>\$ 246.3</b>	<b>\$ 57.1</b>	<b>\$ 13.2</b>	<b>\$ 102.8</b>	<b>\$ 778.6</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

<sup>(3)</sup> Net flows include \$4.5 billion and \$1.3 billion of AXA redemptions for 2022 and 2021, respectively.

<sup>(4)</sup> Approximately \$0.4 billion of Institutional AUM was removed from our total assets under management during the second quarter of 2022 due to a change in the fee structure.

<sup>(5)</sup> The CarVal acquisition added approximately \$12.2 billion of Institutional AUM in the third quarter of 2022.

## Part II

Net long-term (outflows) inflows for actively managed investment services as compared to passively managed investment services during 2022 and 2021 are as follows:

	Years Ended December 31	
	2022	2021
	(in billions)	
<b>Actively Managed</b>		
Equity	\$ (2.7)	\$ 21.9
Fixed Income	(17.3)	(3.9)
Alternatives/Multi- Asset Solutions	20.9	8.3
<b>Total</b>	<b>0.9</b>	<b>26.3</b>
<b>Passively Managed</b>		
Equity	(5.3)	(7.5)
Fixed Income	(1.3)	5.0
Alternatives/Multi- Asset Solutions	2.1	2.3
<b>Total</b>	<b>(4.5)</b>	<b>(0.2)</b>
<b>Total net long-term (outflows) inflows</b>	<b>\$ (3.6)</b>	<b>\$ 26.1</b>

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

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in billions)				
<b>Distribution Channel:</b>					
Institutions	\$ 308.4	\$ 325.7	\$ 285.9	(5.3 %)	13.9 %
Retail	267.8	291.0	236.5	(8.0)	23.0
Private Wealth Management	110.3	114.1	97.1	(3.3)	17.5
<b>Total</b>	<b>\$ 686.5</b>	<b>\$ 730.8</b>	<b>\$ 619.5</b>	<b>(6.1)</b>	<b>18.0</b>
<b>Investment Service:</b>					
Equity Actively Managed	\$ 239.7	\$ 252.2	\$ 179.8	(4.9)	40.2
Equity Passively Managed <sup>(1)</sup>	60.4	68.7	57.1	(12.1)	20.5
Fixed Income Actively Managed – Taxable	210.0	253.1	254.4	(17.1)	(0.5)
Fixed Income Actively Managed – Tax-exempt	54.1	53.8	47.9	0.6	12.3
Fixed Income Passively Managed <sup>(1)</sup>	11.5	9.6	9.4	20.2	1.4
Alternatives/Multi-Asset Solutions <sup>(2)</sup>	110.8	93.4	70.9	18.6	31.7
<b>Total</b>	<b>\$ 686.5</b>	<b>\$ 730.8</b>	<b>\$ 619.5</b>	<b>(6.1)</b>	<b>18.0</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

During 2022, our Institutional channel average AUM of \$308.4 billion decreased \$17.3 billion, or 5.3%, compared to 2021, primarily due to this AUM decreasing \$39.8 billion, or 11.8%, to \$297.3 billion from December 31, 2021. The \$39.8 billion decrease in AUM resulted primarily from market depreciation of \$57.8 billion, partially offset by an addition of \$12.2 billion due to the acquisition of CarVal and net inflows of \$6.3 billion. During 2021, our Institutional channel average AUM of \$325.7 billion increased \$39.8 billion, or 13.9%, compared to 2020, primarily due to this AUM increasing \$21.5 billion, or 6.8%, to \$337.1 billion during 2021. The \$21.5 billion increase in AUM resulted primarily from market appreciation of \$19.4 billion and net inflows of \$2.3 billion.

During 2022, our Retail channel average AUM of \$267.8 billion decreased \$23.2 billion, or 8.0%, compared to 2021, primarily due to this AUM decreasing \$77.0 billion, or 24.1%, to \$242.9 billion from December 31, 2021. The \$77.0 billion decrease in AUM resulted primarily from market depreciation of \$65.5 billion and net outflows of \$11.6 billion. During 2021, our Retail channel average AUM of \$291.0 billion increased \$54.5 billion, or 23.0%, compared to 2020, primarily due to this AUM increasing \$54.6 billion, or 20.6%, to \$319.9 billion during 2021. The \$54.6 billion increase in AUM resulted primarily from market appreciation of \$33.6 billion and net inflows of \$20.8 billion.

During 2022, our Private Wealth Management channel average AUM of \$110.3 billion decreased \$3.8 billion, or 3.3%, compared to 2021, primarily due to this AUM decreasing \$15.4 billion, or 12.6%, to \$106.2 billion from December 31, 2021. The \$15.4 billion decrease in AUM resulted from market depreciation of \$17.1 billion, offset by net inflows of \$1.7 billion. During 2021, our Private Wealth Management channel average AUM of \$114.1 billion increased \$17.0 billion, or 17.5%, compared to 2020, primarily due to this AUM increasing \$16.6 billion, or 15.8%, to \$121.6 billion during 2021. The \$16.6 billion increase in AUM resulted primarily from market appreciation of \$13.6 billion and net inflows of \$3.0 billion.

Absolute investment composite returns, gross of fees, and relative performance as of December 31, 2022 compared to benchmarks for certain representative Institutional equity and fixed income services are as follows:

	1-Year	3-Year <sup>(1)</sup>	5-Year <sup>(1)</sup>
<b>Global High Income - Hedged (fixed income)</b>			
Absolute return	(11.1%)	(1.2%)	1.3%
Relative return (vs. Bloomberg Barclays Global High Yield Index - Hedged)	(0.1)	—	0.1
<b>Global Plus - Hedged (fixed income)</b>			
Absolute return	(11.6)	(2.3)	0.5
Relative return (vs. Bloomberg Barclays Global Aggregate Index - Hedged)	(0.4)	0.3	0.2
<b>Intermediate Municipal Bonds (fixed income)</b>			
Absolute return	(5.2)	0.2	1.6
Relative return (vs. Lipper Short/Int. Blended Muni Fund Avg)	0.2	0.7	0.7
<b>U.S. Strategic Core Plus (fixed income)</b>			
Absolute return	(13.3)	(2.3)	0.4
Relative return (vs. Bloomberg Barclays U.S. Aggregate Index)	(0.3)	0.4	0.4
<b>Emerging Market Debt (fixed income)</b>			
Absolute return	(18.4)	(4.7)	(1.4)
Relative return (vs. JPM EMBI Global/JPM EMBI)	(1.9)	(0.2)	(0.4)
<b>Sustainable Global Thematic</b>			
Absolute return	(26.5)	8.6	8.9
Relative return (vs. MSCI ACWI Index)	(8.1)	4.6	3.7

## Part II

	1-Year	3-Year <sup>(1)</sup>	5-Year <sup>(1)</sup>
<b>International Strategic Core Equity</b>			
Absolute return	(13.9)	0.7	2.3
Relative return (vs. MSCI EAFE Index)	0.6	(0.2)	0.8
<b>U.S. Small &amp; Mid Cap Value</b>			
Absolute return	(15.2)	6.7	4.8
Relative return (vs. Russell 2500 Value Index)	(2.1)	1.5	—
<b>U.S. Strategic Value</b>			
Absolute return	(6.1)	7.0	5.0
Relative return (vs. Russell 1000 Value Index)	1.4	1.0	(1.6)
<b>U.S. Small Cap Growth</b>			
Absolute return	(38.4)	2.0	7.8
Relative return (vs. Russell 2000 Growth Index)	(12.0)	1.3	4.3
<b>U.S. Large Cap Growth</b>			
Absolute return	(28.3)	7.9	11.8
Relative return (vs. Russell 1000 Growth Index)	0.8	0.1	0.8
<b>U.S. Small &amp; Mid Cap Growth</b>			
Absolute return	(35.5)	3.6	7.1
Relative return (vs. Russell 2500 Growth Index)	(9.3)	0.7	1.2
<b>Concentrated U.S. Growth</b>			
Absolute return	(23.3)	7.3	12.2
Relative return (vs. S&P 500 Index)	(5.2)	(0.3)	2.8
<b>Select U.S. Equity</b>			
Absolute return	(13.0)	10.0	10.7
Relative return (vs. S&P 500 Index)	5.1	2.3	1.3
<b>Strategic Equities</b>			
Absolute return	(19.8)	5.9	7.5
Relative return (vs. Russell 3000 Index)	(0.6)	(1.2)	(1.2)
<b>Global Core Equity</b>			
Absolute return	(19.5)	2.2	5.6
Relative return (vs. MSCI ACWI Index)	(1.2)	(1.8)	0.4
<b>U.S. Strategic Core Equity</b>			
Absolute return	(9.4)	7.1	9.8
Relative return (vs. S&P 500 Index)	8.7	(0.6)	0.4
<b>Select U.S. Equity Long/Short</b>			
Absolute return	(8.6)	6.8	7.6
Relative return (vs. S&P 500 Index)	9.5	(0.9)	(1.8)
<b>Global Strategic Core Equity</b>			
Absolute return	(10.7)	5.0	7.3
Relative return (vs. S&P 500 Index)	7.5	—	1.2

<sup>(1)</sup> Reflects annualized returns.

## Consolidated Results of Operations

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands, except per unit amounts)				
Net revenues	\$ 4,054,290	\$ 4,441,602	\$ 3,708,536	(8.7)%	19.8 %
Expenses	3,239,194	3,225,140	2,801,100	0.4	15.1
Operating income	815,096	1,216,462	907,436	(33.0)	34.1
Income taxes	39,639	62,728	45,653	(36.8)	37.4
Net income	775,457	1,153,734	861,783	(32.8)	33.9
Net (loss) income of consolidated entities attributable to non-controlling interests	(56,356)	5,111	(4,169)	n/m	n/m
Net income attributable to AB Unitholders	\$ 831,813	\$ 1,148,623	\$ 865,952	(27.6)	32.6
Diluted net income per AB Unit	\$ 3.01	\$ 4.18	\$ 3.19	(28.0)	31.0
Distributions per AB Unit	\$ 3.26	\$ 4.19	\$ 3.20	(22.2)	30.9
Operating margin <sup>(1)</sup>	21.5 %	27.3 %	24.6 %		

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

Net income attributable to AB Unitholders for the year ended December 31, 2022 decreased \$316.8 million from the year ended December 31, 2021. The decrease primarily is due to (in millions):

Lower base advisory fees	\$ (123.6)
Higher investment losses	(101.8)
Lower performance-based fees	(99.9)
Higher general and administrative expenses	(86.0)
Lower distribution revenues	(45.0)
Lower Bernstein Research Services revenue	(35.7)
Lower promotion and servicing expenses	60.1
Higher net loss of consolidated entities attributable to non-controlling interest	61.5
Lower employee compensation and benefits	49.4
Other	4.2
	<b>\$ (316.8)</b>

Net income attributable to AB Unitholders for the year ended December 31, 2021 increased \$282.7 million from the year ended December 31, 2020. The increase primarily was due to (in millions):

Higher base advisory fees	\$ 486.6
Higher distribution revenues	122.5
Higher performance-based fees	112.5
Higher employee compensation and benefits	(221.8)
Higher promotion and servicing expenses	(153.5)
Higher general and administrative expenses	(64.5)
Other	0.9
	<b>\$ 282.7</b>

## Part II

### Units Outstanding

Each quarter, we consider whether to implement a plan to repurchase AB Holding Units pursuant to Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended ("**Exchange Act**"). A plan of this type 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 to repurchase AB Holding Units on our behalf in accordance with the terms and limitations specified in 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. There was no plan adopted during the fourth quarter of 2022. We may adopt additional 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, with concurrence of the Board of Directors, that one or more 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 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		
	2022	2021	2020
	(in thousands)		
<b>Net revenues, US GAAP basis</b>	<b>\$ 4,054,290</b>	<b>\$ 4,441,602</b>	<b>\$ 3,708,536</b>
Adjustments:			
Distribution-related adjustments:			
Distribution revenues	(607,195)	(652,240)	(529,781)
Investment advisory services fees	(57,139)	(90,242)	(66,858)
Pass-through adjustments:			
Investment advisory services fees	(65,116)	(40,628)	(18,279)
Other revenues	(38,959)	(37,209)	(39,333)
Impact of consolidated company-sponsored funds	57,436	(6,933)	954
Incentive compensation-related items	(7,083)	(6,694)	(6,772)
Write-down of investment	—	1,880	859
<b>Adjusted net revenues</b>	<b>\$ 3,336,234</b>	<b>\$ 3,609,536</b>	<b>\$ 3,049,326</b>
<b>Operating income, US GAAP basis</b>	<b>\$ 815,096</b>	<b>\$ 1,216,462</b>	<b>\$ 907,436</b>
Adjustments:			
Real estate	(825)	(3,162)	2,880
Incentive compensation-related items	3,461	687	(83)
EQH award compensation	606	940	802
Write-down of investment	—	1,880	859
Acquisition-related expenses	72,503	2,614	1,935
Sub-total of non-GAAP adjustments	75,745	2,959	6,393
Less: Net (loss) income of consolidated entities attributable to non-controlling interests	(56,356)	5,111	(4,169)
<b>Adjusted operating income</b>	<b>947,197</b>	<b>1,214,310</b>	<b>917,998</b>
Adjusted income taxes	46,034	62,658	46,176
<b>Adjusted net income</b>	<b>\$ 901,163</b>	<b>\$ 1,151,652</b>	<b>\$ 871,822</b>
<b>Diluted net income per AB Unit, GAAP basis</b>	<b>\$ 3.01</b>	<b>\$ 4.18</b>	<b>\$ 3.19</b>
Impact of non-GAAP adjustments	0.25	0.02	0.02
<b>Adjusted diluted net income per AB Unit</b>	<b>\$ 3.26</b>	<b>\$ 4.20</b>	<b>\$ 3.21</b>
<b>Operating margin, GAAP basis</b>	<b>21.5%</b>	<b>27.3%</b>	<b>24.6%</b>
Impact of non-GAAP adjustments	6.9	6.3	5.5
<b>Adjusted operating margin</b>	<b>28.4%</b>	<b>33.6%</b>	<b>30.1%</b>

Adjusted operating income for the year ended December 31, 2022 decreased \$267.1 million, or 22.0%, from the year ended December 31, 2021, primarily due to lower performance-based fees of \$130.9 million, lower investment advisory base fees of \$99.1 million, lower Bernstein Research Services revenue of \$35.7 million and higher general and administrative expenses of \$32.3 million, partially offset by lower employee compensation and benefits expense of \$58.4 million.

Adjusted operating income for the year ended December 31, 2021 increased \$296.3 million, or 32.3%, from the year ended December 31, 2020, primarily due to higher investment advisory base fees of \$460.9 million and higher performance-based fees of \$91.7 million, partially offset by higher employee compensation and benefits expenses of \$221.4 million and higher general and administrative expenses of \$49.2 million.

## Part II

### Adjusted Net Revenues

Net Revenue, as adjusted, is reduced to exclude all of the company's distribution revenues, which are recorded as a separate line item on the consolidated statement of income, as well as a portion of investment advisory services fees received that is used to pay distribution and servicing costs. For certain products, based on the distinct arrangements, certain distribution fees are collected by us and passed through to third-party client intermediaries, while for certain other products, we collect investment advisory services fees and a portion is passed through to third-party client intermediaries. In both arrangements, the third-party client intermediary owns the relationship with the client and is responsible for performing services and distributing the product to the client on our behalf. We believe offsetting distribution revenues and certain investment advisory services fees 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 that perform functions on behalf of our sponsored mutual funds and/or shareholders of these funds. Distribution-related adjustments fluctuate each period based on the type of investment products sold, as well as the average AUM over the period. Also, we adjust distribution revenues for the amortization of deferred sales commissions as these costs, over time, will offset such revenues.

We adjust investment advisory and services fees and other revenues for pass through costs, primarily related to our transfer agent and shareholder servicing fees. Also, we adjust for certain performance-based fees passed through to our investment advisors. These fees do not affect operating income, as such, we exclude these fees from adjusted net revenues.

We adjust for the revenue impact of consolidating company-sponsored investment funds by eliminating the consolidated company-sponsored investment funds' revenues and including AB's fees from such consolidated company-sponsored investment funds and AB's investment gains and losses on its investments in such consolidated company-sponsored investment funds that were eliminated in consolidation.

Adjusted net revenues exclude investment gains and losses and dividends and interest on employee long-term incentive compensation-related investments. Also, we adjust for certain acquisition-related pass-through performance-based fees and performance related compensation.

During the fourth quarter of 2021, we wrote down an equity method investment; this write-down brought the investment balance to zero. Additionally, during the first quarter of 2020, we wrote-down an investment that had been received in exchange for the sale of software technology; the write-down brought the investment balance to zero. Previously, we had been excluding the investment from adjusted net revenues.

### Adjusted Operating Income

Adjusted operating income represents operating income on a US GAAP basis excluding (1) real estate charges (credits), (2) 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, (3) the equity compensation paid by EQH to certain AB executives, *as discussed below*, (4) the write-down of investments (*discussed immediately above*), (5) acquisition-related expenses and (6) the impact of consolidated company-sponsored investment funds.

Real estate charges (credits) incurred during the fourth quarter of 2019 through the fourth quarter of 2020, while excluded in the period in which the charges (credits) were recorded, are included ratably over the remaining applicable lease term.

Prior to 2009, a significant portion of employee compensation was in the form of 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 delivered 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, which also impacts compensation expense, is recorded within investment gains and losses on the income statement. 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.

The board of directors of EQH granted to Seth Bernstein, our CEO, equity awards in connection with EQH's IPO. Additionally, equity awards were granted to Mr. Bernstein and other AB executives for their membership on the EQH Management Committee. These individuals may receive additional equity or cash compensation from EQH in the future related to their service on the Management Committee. Any awards granted to these individuals by EQH are recorded as compensation expense in AB's consolidated statement of income. The compensation expense associated with these awards has been excluded from our non-GAAP measures because they are non-cash and are based upon EQH's, and not AB's, financial performance.

The write-down of investments *discussed above in Adjusted Net Revenues* have been excluded due to their non-recurring nature and because they are not part of our core operating results.

Acquisition-related expenses 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 include professional fees and the recording of changes in estimates to contingent payment arrangements associated with our acquisitions. Beginning in the first quarter of 2022, acquisition-related expenses also include certain compensation-related expenses, amortization of intangible assets for contracts acquired and accretion expense with respect to contingent payment arrangements. During 2022 and 2021, these expenses included an intangible asset impairment charge of \$5.6 million and \$1.0 million, respectively, related to various historical acquisitions.

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

We adjusted for the operating income impact of consolidating certain company-sponsored investment funds by eliminating the consolidated company-sponsored funds' revenues and expenses and including AB's revenues and expenses that were eliminated in consolidation. We also excluded the limited partner interests we do not own.

## **Adjusted Net Income and Adjusted Diluted Net Income per AB Unit**

As previously discussed, our quarterly distribution is typically our adjusted diluted net income per unit (which is derived from adjusted net income) for the quarter multiplied by the number of general and limited partnership interests at the end of the quarter. Adjusted income taxes, used in calculating adjusted net income, are calculated using the GAAP effective tax rate adjusted for non-GAAP income tax adjustments.

## **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.

## Part II

### Net Revenues

The components of net revenues are as follows:

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands)				
Investment advisory and services fees:					
Institutions:					
Base fees	\$ 581,987	\$ 540,478	\$ 458,449	7.7 %	17.9 %
Performance-based fees	77,299	45,580	53,351	69.6	(14.6)
	659,286	586,058	511,800	12.5	14.5
Retail:					
Base fees	1,321,645	1,442,178	1,186,560	(8.4)	21.5
Performance-based fees	1,564	50,669	24,412	(96.9)	107.6
	1,323,209	1,492,847	1,210,972	(11.4)	23.3
Private Wealth Management:					
Base fees	922,159	966,749	817,801	(4.6)	18.2
Performance-based fees	66,384	148,870	54,863	(55.4)	171.3
	988,543	1,115,619	872,664	(11.4)	27.8
Total:					
Base fees	2,825,791	2,949,405	2,462,810	(4.2)	19.8
Performance-based fees	145,247	245,119	132,626	(40.7)	84.8
	2,971,038	3,194,524	2,595,436	(7.0)	23.1
Bernstein Research Services	416,273	452,017	459,744	(7.9)	(1.7)
Distribution revenues	607,195	652,240	529,781	(6.9)	23.1
Dividend and interest income	123,091	38,734	50,923	n/m	(23.9)
Investment (losses) gains	(102,413)	(636)	(16,401)	n/m	(96.1)
Other revenues	105,544	108,409	104,703	(2.6)	3.5
Total revenues	4,120,728	4,445,288	3,724,186	(7.3)	19.4
Less: Interest expense	66,438	3,686	15,650	n/m	(76.4)
<b>Net revenues</b>	<b>\$ 4,054,290</b>	<b>\$ 4,441,602</b>	<b>\$ 3,708,536</b>	<b>(8.7)</b>	<b>19.8</b>

### 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 30 to 105 basis points for actively managed equity services, 10 to 70 basis points for actively-managed fixed income services and 2 to 50 basis points for passively managed services. Average basis points realized for other services could range from 3 basis points for certain Institutional third party managed services to over 150 basis points for certain Retail and Private Wealth Management alternative services. These ranges include all-inclusive fee arrangements (covering investment management, trade execution and other services) for our Private Wealth Management clients.

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 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.

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 is overseen by the Valuation Committee and is responsible for managing 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 10.6%, 9.2% and 0.5% of the assets we manage for institutional clients, private wealth clients and retail clients, respectively (in total, 6.6% of our AUM).

Our investment advisory and services fees decreased by \$223.5 million, or 7.0%, in 2022, due to a \$123.6 million, or 4.2%, decrease in base fees and a \$99.9 million decrease in performance-based fees. The decrease in base fees is primarily due to a 6.1% decrease in average AUM, partially offset by a slight increase in our portfolio fee rate. Our investment advisory and services fees increased by \$599.1 million, or 23.1%, in 2021, due to a \$486.6 million, or 19.8%, increase in base fees and a \$112.5 million increase in performance-based fees. The increase in base fees was primarily due to a 18.0% increase in average AUM, as well as a slight increase in our portfolio fee rate.

Performance-based fees decreased \$99.9 million, or 40.7%, in 2022, primarily due to lower performance-based fees earned on Financial Services Opportunities fund, U.S. Select Equity fund, Arya Partners fund and Private Credit Services fund, partially offset by higher U.S. Real Estate Funds fees. Performance-based fees increased \$112.5 million, or 84.8%, in 2021, primarily due to higher performance-based fees earned on Private Credit Services, U.S. Real Estate Funds, Financial Services Opportunities and U.S. Select Equity, partially offset by lower Arya Partners fees.

Institutional investment advisory and services fees increased \$73.2 million, or 12.5%, in 2022, due to an increase in base fees of \$41.5 million, or 7.7%, and an increase in performance-based fees of \$31.7 million. The increase in base fees is primarily due to a higher portfolio fee rate, partially offset by a 5.3% decrease in average AUM. Institutional investment advisory and services fees increased \$74.3 million, or 14.5%, in 2021, due to an increase in base fees of \$82.0 million, or 17.9%, partially offset by a decrease in performance-based fees of \$7.8 million. The increase in base fees was primarily due to a 13.9% increase in average AUM, an increase in portfolio fee rate and a shift in product mix from fixed income to active equities and alternatives, which generally earn higher fees.

Retail investment advisory and services fees decreased \$169.6 million, or 11.4%, in 2022, due to a decrease in base fees of \$120.5 million, or 8.4%, and a \$49.1 million decrease in performance-based fees. The decrease in base fees is primarily due to a 8.0% decrease in average AUM. Retail investment advisory and services fees increased \$281.9 million, or 23.3%, in 2021, due to an increase in base fees of \$255.6 million, or 21.5%, and a \$26.3 million increase in performance-based fees. The increase in base fees is primarily due to a 23.0% increase in average AUM.

Private Wealth Management investment advisory and services fees decreased by \$127.1 million, or 11.4%, in 2022, due to a decrease in base fees of \$44.6 million, or 4.6%, and an \$82.5 million decrease in performance-based fees. The decrease in base fees is primarily due to a 3.3% decrease in average AUM. Private Wealth Management investment advisory and services fees increased \$243.0 million, or 27.8%, in 2021, due to an increase in base fees of \$148.9 million, or 18.2%, and a \$94.0 million increase in performance-based fees. The increase in base fees is primarily due to a 17.5% increase in average AUM.

## Bernstein Research Services

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, and to a lesser extent, but increasingly, by paying us directly for research through commission sharing agreements or cash payments. In the fourth quarter of 2022, AB and SocGen, a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses. As a result, the BRS business has been classified as held for sale. For further discussion, see *Note 24 Acquisitions and Divestitures to our consolidated financial statements in Item 8*.

Revenues from Bernstein Research Services decreased \$35.7 million, or 7.9%, in 2022. The decrease was driven by significantly lower customer trading activity in Europe and Asia due to local market conditions.

## Part II

Revenues from Bernstein Research Services decreased \$7.7 million, or 1.7%, in 2021. The decrease was due to lower trading activity driven by lower global market volatility as compared to the COVID-related volatility in 2020. This was partially offset by higher research payments across Bernstein and Autonomous Research products.

### 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 full or 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 \$45.0 million, or 6.9%, in 2022, primarily due to the corresponding average AUM of these mutual funds decreasing 12.4%, partially offset by a shift in product mix from mutual funds with lower distribution rates to mutual funds with higher distribution rates. Distribution revenues increased \$122.5 million, or 23.1%, in 2021, primarily due to the corresponding average AUM of these mutual funds increasing 17.2%.

### 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 as well as dividend and interest income in our consolidated company-sponsored investment funds. Interest expense principally reflects interest accrued on cash balances in customers' brokerage accounts.

Dividend and interest income increased \$84.4 million in 2022, primarily due to higher interest earned on customer margin balances, higher interest earned on U.S. Treasury Bills as well as higher dividend and interest income in our consolidated company-sponsored investment funds. Interest expense increased \$62.8 million in 2022, due to higher interest paid on cash balances in customers' brokerage accounts.

Dividend and interest income decreased \$12.2 million, or 23.9%, in 2021, primarily due to lower interest earned on U.S. Treasury Bills as well as lower dividend and interest income in our consolidated company-sponsored investment funds. Interest expense decreased \$12.0 million, or 76.4%, in 2021, due to lower interest paid on cash balances in customers' brokerage accounts.

## 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) U.S. Treasury Bills, (iii) market-making in exchange-traded options and equities, (iv) seed capital investments, (v) derivatives and (vi) investments in our consolidated company-sponsored investment funds. Investment gains (losses) also include 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		
	2022	2021	2020
	(in thousands)		
<b>Long-term incentive compensation-related investments:</b>			
Realized gains	\$ 1,345	\$ 2,213	\$ 2,655
Unrealized (losses) gains	(10,626)	2,446	2,914
<b>Investments held by consolidated company-sponsored investment funds:</b>			
Realized (losses) gains	(46,293)	(2,341)	3,357
Unrealized (losses)	(73,194)	(1,882)	(854)
<b>Seed capital investments:</b>			
Realized gains (losses)			
Seed capital and other	17,272	20,263	25,002
Derivatives	41,236	(22,313)	(30,343)
Unrealized (losses) gains			
Seed capital and other	(31,261)	(6,907)	(12,387)
Derivatives	(177)	8,992	(5,220)
<b>Brokerage-related investments:</b>			
Realized (losses)	(1,384)	(829)	(1,188)
Unrealized gains (losses)	669	(278)	(337)
	<b>\$ (102,413)</b>	<b>\$ (636)</b>	<b>\$ (16,401)</b>

## 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 EQH and its subsidiaries, and other miscellaneous revenues. Other revenues decreased \$2.9 million, or 2.6%, in 2022, primarily due to lower shareholder servicing fees. Other revenues increased \$3.7 million, or 3.5%, in 2021, primarily due to higher shareholder servicing fees, partially offset by lower brokerage income.

## Part II

## Expenses

The components of expenses are as follows:

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands)				
Employee compensation and benefits	1,666,636	\$ 1,716,013	\$ 1,494,198	(2.9)%	14.8 %
Promotion and servicing:					
Distribution-related payments	629,572	708,117	569,283	(11.1)	24.4
Amortization of deferred sales commissions	34,762	34,364	27,355	1.2	25.6
Trade execution, marketing, T&E and other	215,556	197,486	189,787	9.2	4.1
	879,890	939,967	786,425	(6.4)	19.5
General and administrative	641,635	555,608	491,070	15.5	13.1
Contingent payment arrangements	6,563	2,710	1,855	142.2	46.1
Interest on borrowings	17,906	5,145	6,180	n/a	(16.7)
Amortization of intangible assets	26,564	5,697	21,372	n/a	(73.3)
<b>Total</b>	<b>\$ 3,239,194</b>	<b>\$ 3,225,140</b>	<b>\$ 2,801,100</b>	<b>0.4</b>	<b>15.1</b>

## 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 41.1%, 38.6% and 40.3% for the years ended December 31, 2022, 2021 and 2020, 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, together with the Compensation and Workplace Practices Committee of the Board of Directors of AllianceBernstein Corporation ("**Compensation Committee**"), continue to believe 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 1.1%, 0.9% and 0.9% of adjusted net revenues for 2022, 2021 and 2020, 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 and the amortization expense associated with the awards issued by EQH to some of our firm's executives relating to their roles as members of the EQH Management Committee. Senior management, with the approval of the Compensation Committee, has established as an objective that adjusted employee compensation and benefits expense, excluding the impact of performance-based fees, generally should not exceed 50% of our adjusted net revenues in any year, except in unexpected or unusual circumstances. Our ratios of adjusted compensation expense as a percentage of adjusted net revenues were 48.4%, 46.5% and 47.9%, respectively, for the years ended December 31, 2022, 2021 and 2020.

In 2022, employee compensation and benefits expense decreased \$49.4 million, or 2.9%, primarily due to lower incentive compensation of \$107.7 million, partially offset by higher base compensation of \$39.8 million, higher commissions of \$12.7 million and higher other employment costs of \$5.3 million. In 2021, employee compensation and benefits expense increased \$221.8 million, or 14.8%, primarily due to higher incentive compensation of \$124.6 million, higher base compensation of \$48.9 million, higher commissions of \$25.0 million, higher fringes of \$20.1 million and higher other employment costs of \$3.3 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 trade execution and clearance, travel and entertainment, advertising and promotional materials.

Promotion and servicing expenses decreased \$60.1 million, or 6.4%, in 2022. The decrease was primarily due to lower distribution-related payments of \$78.5 million, lower transfer fees of \$4.9 million and lower trade execution and clearance expenses of \$3.1 million, partially offset by higher travel and entertainment expenses of \$15.4 million and higher firm meeting expenses of \$8.8 million. Promotion and servicing expenses increased \$153.5 million, or 19.5%, in 2021. The increase primarily was due to higher distribution-related payments of \$138.8 million, higher transfer fees of \$10.1 million, higher amortization of deferred sales commissions of \$7.0 million and higher marketing expenses of \$4.9 million, partially offset by lower trade execution and clearance expenses of \$7.4 million.

## General and Administrative

General and administrative expenses include portfolio services fees, technology fees, professional fees and office-related expenses (occupancy, communications and similar expenses). General and administrative expenses as a percentage of net revenues were 15.8%, 12.5% and 13.2% for the years ended December 31, 2022, 2021 and 2020, respectively. General and administrative expenses increased \$86.0 million, or 15.5%, in 2022. The increase was primarily due to higher professional fees of \$27.3 million, higher portfolio services fees of \$21.3 million, higher technology fees of \$19.1 million, a valuation adjustment of \$7.4 million associated with the classification of BRS as held for sale, higher office-related expenses of \$6.9 million and a \$5.6 million impairment of certain acquisition related intangible assets. General and administrative expenses increased \$64.5 million, or 13.1%, in 2021. The increase was primarily due to higher portfolio services of \$34.0 million, higher technology fees of \$14.3 million, higher office-related expenses of \$7.6 million, higher professional fees of \$6.6 million and an unfavorable foreign exchange translation impact of \$5.2 million, partially offset by lower charitable contributions of \$4.9 million.

## Contingent Payment Arrangements

Contingent payment arrangements reflect changes in estimates of contingent payment liabilities associated with acquisitions in current and previous periods, as well as accretion expense of these liabilities. In 2022, we recognized \$6.6 million in accretion expense related to our contingent considerations payable. The expense of \$2.7 million for 2021 reflects accretion expense of \$3.3 million, offset by the change in estimate of the contingent consideration payable relating to our 2016 acquisition of \$0.6 million.

## Interest on Borrowings

Interest expense increased \$12.8 million in 2022, reflecting higher interest rates on borrowings and higher weighted average borrowings. Average daily borrowings for the EQH facilities and commercial paper were \$845.5 million at a weighted average interest rate of 1.7% during 2022 compared to \$561.6 million and 0.2% during 2021.

Interest expense decreased \$1.0 million, or 16.7%, in 2021, reflecting lower interest rates partially offset by higher weighted average borrowings. Average daily borrowings for both the EQH facility and commercial paper were \$561.6 million at a weighted average interest rate of 0.2% during 2021 compared to \$554.0 million and 0.5% during 2020.

## Amortization of Intangible Assets

Amortization of intangible assets reflects our amortization of costs assigned to acquired investment management contracts with a finite life. These assets are recognized at fair value and generally are amortized on a straight-line basis over their estimated useful life. On July 1, 2022, AB acquired CarVal, which resulted in recording of \$303.0 million of finite-lived intangible assets primarily relating to investment management contracts and investor relationships with useful lives ranging from 5 to 10 years (see *Note 24 Acquisitions and Divestitures to our consolidated financial statements in Item 8*). Amortization of intangible assets increased \$20.9 million in 2022. The increase was primarily due to the acquired intangible assets associated with the CarVal acquisition. Amortization of intangible assets decreased \$15.7 million, or 73.3%, in 2021. The decrease in the prior year was primarily due to the full amortization of intangible assets related to the Bernstein acquisition.

## Income Taxes

AB, a private limited partnership, 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”). 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 decreased \$23.1 million, or 36.8%, in 2022 compared to 2021. This decrease is due to lower pre-tax book income and one-time discrete items which resulted in a lower effective tax rate in 2022 of 4.9% compared to 5.2% in 2021.

Income tax expense decreased \$17.1 million, or 37.4%, in 2021 compared to 2020. This increase is due to higher pre-tax book income which resulted in a higher effective tax rate in 2021 of 5.2% compared to 5.0% in 2020.

## Part II

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

Net (loss) income of consolidated entities attributable to non-controlling interests primarily consists of limited partner interests owned by other investors in our consolidated company-sponsored investment funds. In 2022, we had \$56.4 million of net loss of consolidated entities attributable to non-controlling interests, primarily due to losses on investments held by our consolidated company-sponsored investment funds. In 2021, we had \$5.1 million of net income of consolidated entities attributable to non-controlling interests, primarily due to gains on investments held by our consolidated company-sponsored investment funds. In 2020 we had \$4.2 million of net losses of consolidated entities attributable to non-controlling interests, primarily due to losses on investments held by our consolidated company-sponsored investment funds.

### Capital Resources and Liquidity

Cash flows from operating activities primarily include the receipt of investment advisory and services fees and other revenues offset by the payment of operating expenses incurred in the normal course of business. Our cash flows from operating activities have historically been positive and sufficient to support our operations. We do not anticipate this to change in the foreseeable future. Cash flows from investing activities generally consist of small capital expenditures and, when applicable, business acquisitions. Cash flows from financing activities primarily consist of issuance and repayment of debt and the repurchase of AB Holding units to fund our long-term deferred compensation plans. We are required to distribute all of our Available Cash Flow to our Unitholders and the General Partner.

During 2022, net cash provided by operating activities was \$1.1 billion, compared to \$1.3 billion during 2021. The change primarily was due to lower earnings of \$265.1 million (after non-cash reconciling items), a decrease in accrued compensation of \$200.8 million and a decrease in broker-dealer related payables (net of receivable and segregated U.S. Treasury Bills activity) of \$169.2 million, partially offset by net activity of our consolidated company-sponsored investment funds of \$252.0 million and an increase in fees receivable of \$193.3 million. During 2021, net cash provided by operating activities was \$1.3 billion, compared to \$1.5 billion during 2020. The change primarily was due to net activity of our consolidated company-sponsored investment funds of \$560.6 million, an increase in other assets of \$75.7 million and higher net purchases of broker-dealer investments of \$33.3 million, partially offset by higher earnings of \$346.2 million, an increase in broker-dealer related payables (net of receivable and segregated U.S. Treasury Bills activity) of \$72.9 million and an increase in accounts payable and accrued expenses of \$25.2 million.

During 2022, net cash used in investing activities was \$22.0 million, compared to \$65.7 million during 2021. The change is primarily due to the acquisition of CarVal, net cash acquired of \$40.3 million in 2022. During 2021, net cash used in investing activities was \$65.7 million, compared to \$59.1 million during 2020. The change is primarily due to higher purchases of furniture, equipment and leasehold improvements of \$20.4 million, partially offset by lower cash paid for acquisitions, net of cash acquired, of \$9.8 million and lower purchases of equity method investments of \$4.1 million.

During 2022, net cash used in financing activities was \$1.1 billion, compared to \$0.9 billion during 2021. The change reflects lower net purchases of non-controlling interests of consolidated company-sponsored investment funds in 2022 of \$309.9 million, repayment of CarVal debt subsequent to acquisition of \$42.7 million and an decrease in overdrafts payable of \$41.6 million, partially offset by higher net borrowings of debt of \$155.0 million and a decrease in the net purchases of AB Holding Units to fund long-term incentive compensation plans of \$51.3 million. During 2021, net cash used in financing activities was \$0.9 billion, compared to \$1.1 billion during 2020. The change reflects the net purchases of non-controlling interests of consolidated company-sponsored investment funds in 2021 as compared to net redemptions in 2020 (impact of \$532.7 million), partially offset by higher distributions to the General Partner and Unitholders of \$223.0 million as a result of higher earnings (distributions on earnings are paid one quarter in arrears) and an increase in the net purchases of AB Holding Units to fund long-term incentive compensation plans of \$113.2 million.

As of December 31, 2022, AB had \$1.1 billion of cash and cash equivalents (excluding cash and cash equivalents of consolidated company-sponsored investment funds and cash held for sale), all of which is available for liquidity but consist primarily of cash on deposit for our broker-dealers related to various customer clearing activities and cash held by foreign subsidiaries of \$497.0 million.

## Debt and Credit Facilities

See *Note 12 to our consolidated financial statements in Item 8* for disclosures relating to our debt and credit facilities.

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 an \$800 million committed, unsecured senior revolving credit facility (the **“Credit Facility”**). If SCB LLC is unable to meet its obligations, AB will pay the obligations when due or on demand. SCB LLC currently has five uncommitted lines of credit with five financial institutions. Four of these lines of credit permit us to borrow up to an aggregate of approximately \$315.0 million, with AB named as an additional borrower, while the other line has no stated limit. AB has guaranteed the obligations of SCB LLC under these lines of credit. AB maintains guarantees totaling \$415.0 million for SCB LLC’s five 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 \$263.4 million of obligations for our U.K.-based broker-dealer and \$99.0 million of obligations for our India-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 two smaller guarantees with a commercial bank totaling approximately \$1.9 million, under which we guarantee certain obligations in the ordinary course of business of one of our 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.

### Aggregate Contractual Obligations

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, 2022, we had funded \$22.4 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 \$27.3 million, as amended in 2020, in the Real Estate Fund II. As of December 31, 2022, we had funded \$21.6 million of this commitment.

We have various compensation and benefit obligations, including accrued salaries and fringes, commissions, payroll taxes, incentive payments and deferred compensation arrangements. The majority of our compensation and benefits obligations are paid out in less than one year, while the deferred compensation obligations are payable over various periods, with the majority payable over periods of up to three years. Accrued compensation and benefits as of December 31, 2022 totaled \$399.3 million. This amount excludes our accrued pension obligation. Offsetting our accrued compensation obligations are long-term incentive compensation-related investments and money market investments we funded totaling \$49.2 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 aforementioned accrued compensation and benefits obligation amount.

We expect to make contributions to our qualified profit sharing plan of approximately \$17.5 million in each of the next four years. We do not currently anticipate that we will contribute to the Retirement Plan during 2023.

The 2017 Tax Act (enacted in the U.S. on December 22, 2017) imposed a federal transition tax on mandatory deemed repatriation of certain deferred foreign earnings. Management elected to pay the transition tax in installments over an eight-year period from 2018 to 2025. The federal transition tax obligation as of December 31, 2022 totaled \$11.7 million and is recorded to income tax payable on our consolidated statement of financial condition. See *Note 21 to our consolidated financial statements in Item 8* for further discussion of our taxes.

See *Note 13 to our consolidated financial statements in Item 8* for discussion of our leases.

See *Note 12 to our consolidated financial statements in Item 8* for a discussion of our debt.

## Part II

### Contingencies

See *Note 14 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.

### Goodwill

Our acquisitions are accounted for under the acquisition method of accounting, where the cost of the acquisition is 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, results in the recognition of goodwill.

On July 1, 2022, AB Holding acquired a 100% ownership interest in CarVal Investors L.P. ("**CarVal**"). Immediately following its acquisition of CarVal (the "**CarVal acquisition**"), AB Holding contributed 100% of its equity interests in CarVal to AB in exchange for AB Units (see *Note 24 Acquisitions and Divestitures to our consolidated financial statements in Item 8*).

On November 22, 2022, AB and SocGen, a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses. As such, the BRS business has been classified as held for sale and \$159.8 million of goodwill recorded on the consolidated statement of financial condition has been allocated to the held for sale disposal group. As AB is a single reporting unit, we have allocated goodwill to the disposal group based on the relative fair values of (1) the disposal group and (2) the portion of the reporting unit that will be retained. For further discussion, see *Note 24 Acquisitions and Divestitures to our consolidated financial statements in Item 8*.

As of December 31, 2022, we had goodwill of \$3.6 billion on the consolidated statement of financial condition, which included \$666.1 million as a result of the CarVal acquisition in the third quarter of 2022, \$2.8 billion as a result of the Sanford C. Bernstein Inc. ("**Bernstein**") acquisition in 2000 and \$291.9 million in regard to various smaller acquisitions. Approximately \$159.8 million of goodwill has been classified as assets held for sale 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 or if certain events or changes in circumstances occur and trigger an interim impairment test. The carrying value of goodwill is also reviewed if facts and circumstances occur that suggest possible impairment, such as, but not limited to significant transactions including acquisitions or divestitures and significant declines in AUM, revenues, earnings or the price of an AB Holding Unit. Any of these changes in circumstances could suggest the possibility that goodwill is impaired, but none of these events or circumstances by itself would indicate that it is more likely than not that goodwill is impaired. Instead, they are merely recognized as triggering events for the consideration of impairment and must be viewed in combination with any mitigating or positive factors. A holistic evaluation of all events since the most recent quantitative impairment test must be done to determine whether it is more likely than not that the reporting unit is impaired.

For our annual impairment test, we utilize the market approach where the fair value of the reporting unit is based on its unadjusted market valuation (AB Units outstanding multiplied by AB Holding's Unit price) 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 comparable industry earnings multiples applied to our earnings forecast and assumes a control premium (when applicable).

The announcement of the joint venture between AB and SocGen and classification of the BRS business as held for sale during the fourth quarter of 2022 was a triggering event requiring an interim impairment test; as such, we tested our goodwill as of December 31, 2022. The impairment test indicated that goodwill was not impaired.

Under ASU 2017-04, Simplifying the Test for Goodwill Impairment, a goodwill impairment will be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. Under this guidance, the goodwill impairment test no longer includes a determination by management of whether a decline in fair value is temporary. However, it is important that management's determination of fair value reflect the impact of changing market conditions, including the severity and anticipated duration of any such changes.

## Business Combinations

We account for business combinations using the acquisition method of accounting whereby the identifiable assets and liabilities of the acquired business, as well as any noncontrolling interest in the acquired business, are recorded at their estimated fair values as of the date that we obtain control of the acquired business. Any purchase consideration in excess of the estimated fair values of the net assets acquired is recorded as goodwill. Acquisition-related expenses are expensed as incurred.

Often, as part of the business combination, intangible assets are recorded based on their estimated fair value at the time of acquisition and primarily relate to acquired investment management contracts. We periodically review indefinite-lived 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.

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 a discounted basis on our consolidated statement 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.

Several valuation methods may be used to determine the fair value of assets acquired and liabilities assumed. For intangible assets and contingent liabilities, we typically use a method that is a form of the income approach, whereby a forecast of future cash flows attributable to the asset are discounted to present value using a risk-adjusted discount rate. Similarly for contingent liabilities, we develop a forecast of future cash flows attributable to the performance objectives that are then discounted to present value using a risk-adjusted discount rate. Some of the more significant estimates and assumptions inherent in the income approach include the amount and timing of projected future cash flows, the discount rate selected to measure the risks inherent in the future cash flows. *See Note 24 Acquisitions and Divestitures to our consolidated financial statements in Item 8.*

## Assets and Liabilities Held for Sale

The Company classifies assets and liabilities to be sold (disposal group) as held for sale in the period when all of the applicable criteria are met, including: (i) management commits to a plan to sell, (ii) the disposal group is available to sell in its present condition, (iii) there is an active program to locate a buyer, (iv) the disposal group is being actively marketed at a reasonable price in relation to its fair value, (v) significant changes to the plan to sell are unlikely, and (vi) the sale of the disposal group is generally probable of being completed within one year. Management performs an assessment of held for sale at least quarterly or when events or changes in business circumstances indicate that a change in classification may be necessary. Assets and liabilities held for sale are presented separately within the consolidated statements of financial condition with any adjustments necessary to measure the disposal group at the lower of its carrying value or fair value less costs to sell. Depreciation of property, plant and equipment and amortization of intangible and right-of-use assets are not recorded while these assets are classified as held for sale. For each reporting period the disposal group remains classified as held for sale, the carrying value of the disposal group is adjusted for subsequent changes in fair value less costs to sell. A loss is recognized for any subsequent decrease in fair value less costs to sell, while a gain is recognized in any subsequent period for any subsequent increase in fair value less cost to sell, but not in excess of the cumulative loss previously recognized. If, in any period, the carrying value of the disposal group exceeds the estimated fair value less costs to sell, a loss is recognized on sale rather than an impairment loss.

## 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 14 to our consolidated financial statements in Item 8.*

## Accounting Pronouncements

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

## Part II

## 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 any 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 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, excluding the impact of performance-based fees, generally should not exceed 50% of our adjusted net revenues on an annual basis:** 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.
- **The adverse impact of COVID-19:** The aggregate extent to which COVID-19, including its impact on the global economy, affects AB's business, liquidity, results of operations and financial condition, will depend on future COVID-19 developments that are highly uncertain, including the scope and duration of the disease and any recovery period, the emergence, spread and seriousness of COVID-19 variants, the continuing prevalence of severe, unconstrained and/or escalating rates of infection and hospitalization in various countries and regions, the availability, adoption and efficacy of treatments and vaccines, and future actions taken by governmental authorities, central banks and other parties in response to COVID-19.
- **The impact of our acquisition of CarVal:** These statements concern expected growth, client and stockholder benefits, key assumptions, revenue realization, financial benefits or returns, accretion and integration costs. Actual results may differ materially from future results expressed or implied by our forward-looking statements as a result of similar risks to those that impact our other similar business lines, as well as the risk that we are not able to realize the anticipated benefits of the transaction, including the realization of revenue, accretion, and financial benefits or returns, in full or that we may take longer to realize benefits than expected, due, among other reasons, to the challenges of integrating a new business and personnel. The anticipated benefits may also be adversely impacted by the risk that AB Holding units to be issued after the closing are issued at a price below anticipated levels. We caution readers to carefully consider such factors.
- **Our Relocation Strategy:** While many of the expenses, expense savings and EPU impact we expect will result from our Relocation Strategy are presented with numerical specificity, and we believe these figures to be reasonable as of the date of this report, the uncertainties surrounding the assumptions on which our estimates are based create a significant risk that our current estimates may not be realized. These assumptions include:
  - the amount and timing of employee relocation costs, severance, and overlapping compensation and occupancy costs we experience; and
  - the timing for execution of each phase of our relocation implementation plan.

## Item 7A. Quantitative and Qualitative Disclosures about Market Risk

### Market Risk, Risk Management and Derivative Financial Instruments

Our investments consist of trading and other investments. Trading investments include U.S. Treasury Bills, mutual funds, exchange-traded options and various separately-managed portfolios consisting of equity 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. Other investments include investments in hedge funds we sponsor and other investment vehicles.

We enter into various futures, forwards, swaps and options 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, 2022 and 2021. 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			
	2022		2021	
	Fair Value	Effect of +100 Basis Point Change	Fair Value	Effect of +100 Basis Point Change
	(in thousands)			
Fixed Income Investments:				
Trading	\$ 93,221	\$ (5,789)	\$ 100,661	\$ (6,976)

## 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% decrease in equity prices from those prevailing as of December 31, 2022 and 2021. 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					
2022			2021		
Fair Value		Effect of -10% Equity Price Change	Fair Value		Effect of -10% Equity Price Change
(in thousands)					
Equity Investments:					
Trading	\$ 65,846	\$ (6,585)	\$ 85,704	\$ (8,570)	
Other investments	\$ 58,451	\$ (5,845)	\$ 87,053	\$ (8,705)	

## Item 8. Financial Statements and Supplementary Data

### Report of Independent Registered Public Accounting Firm

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

### Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial condition of AllianceBernstein L.P. and its subsidiaries (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of income, of comprehensive income, of changes in partners' capital and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes and financial statement schedule listed in the index appearing under Item 15(a) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

### Basis for Opinions

The Company's management is responsible for these consolidated financial statements, 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 the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. 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.

As described in Management's Report on Internal Control Over Financial Reporting, management has excluded CarVal Investors L.P. (CarVal) from its assessment of internal control over financial reporting as of December 31, 2022 because it was acquired by the Company in a purchase business combination during 2022. We have also excluded CarVal from our audit of internal control over financial reporting. CarVal is a wholly-owned subsidiary whose total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting each approximate 2% of the related consolidated financial statement amounts as of and for the year ended December 31, 2022.

### Definition and Limitations of Internal Control over Financial Reporting

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

## Part II

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.

## Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### Acquisition of CarVal Investors L.P. - Fair Value of Finite-Lived Intangible Assets and Contingent Consideration Payable

As described in Notes 2, 9 and 24 to the consolidated financial statements, on July 1, 2022, AllianceBernstein Holding L.P. (AB Holding) acquired a 100% ownership interest in CarVal for total purchase consideration of \$818.1 million, which resulted in management recording \$303.0 million of finite-lived intangible assets primarily related to investment management contracts and investor relationships with useful lives ranging from 5 to 10 years and \$228.9 million of contingent consideration payable. Immediately following the acquisition of CarVal by AB Holding, AB Holding contributed 100% of its equity interests in CarVal to AllianceBernstein L.P. (AB) in exchange for AB units. Fair value of the acquired finite-lived intangible assets was based on a forecast of future cash flows attributable to the assets that are discounted to present value using a risk-adjusted discount rate. Fair value of the contingent consideration payable was based on a forecast of future cash flows attributable to the performance objectives that are discounted to present value using a risk-adjusted discount rate.

The principal considerations for our determination that performing procedures relating to the fair value of the finite-lived intangible assets and contingent consideration payable recognized in the acquisition of CarVal is a critical audit matter are the significant judgment by management in developing the estimated fair value of the finite-lived intangible assets and the contingent consideration payable. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to the future cash flows and risk-adjusted discount rate assumptions utilized within the calculation of the present value of future cash flows. In addition, the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the determination of the fair value of finite-lived intangible assets and contingent consideration payable recognized in the acquisition of CarVal, including controls over the development of the future cash flows and risk-adjusted discount rate assumptions utilized within the calculation of the present value of future cash flows. These procedures also included, among others, reading the purchase agreement and testing management's process for estimating the fair value of the acquired finite-lived intangible assets and contingent consideration payable. Testing management's process included (i) evaluating the appropriateness of the method used to discount future cash flows to present value, (ii) testing the completeness and accuracy of underlying data used in the method used to discount future cash flows to present value, and (iii) evaluating management's significant assumptions related to the future cash flows and risk-adjusted discount rate. Evaluating the reasonableness of the assumption related to the future cash flows involved considering the historical performance of Carval, the consistency with external market and industry data, and the consistency with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the appropriateness of the method used to discount future cash flows to present value and the reasonableness of the risk-adjusted discount rate assumption.

/s/PricewaterhouseCoopers LLP  
Nashville, Tennessee  
February 10, 2023

We have served as the Company's auditor since 2006.

# AllianceBernstein L.P. and Subsidiaries

## Consolidated Statements of Financial Condition

	Years Ended December 31	
	2022	2021
	(in thousands, except unit amounts)	
ASSETS		
Cash and cash equivalents	\$ 1,130,143	\$ 1,285,700
Cash and securities segregated, at fair value (cost \$1,511,916 and \$1,503,554)	1,522,431	1,503,957
Receivables, net:		
Brokers and dealers	112,226	65,897
Brokerage clients	1,881,496	2,059,842
AB funds fees	314,247	340,158
Other fees	127,040	185,653
Investments:		
Long-term incentive compensation-related	47,870	63,839
Other	169,648	209,579
Assets of consolidated company-sponsored investment funds:		
Cash and cash equivalents	19,751	90,326
Investments	516,536	613,025
Other assets	44,424	30,461
Furniture, equipment and leasehold improvements, net	189,258	169,175
Goodwill	3,598,591	3,091,763
Intangible assets, net	310,203	41,531
Deferred sales commissions, net	52,250	74,899
Right-of-use assets	371,898	421,980
Assets held for sale	551,351	—
Other assets	179,568	262,303
Total assets	\$ 11,138,931	\$ 10,510,088

**Part II**

	Years Ended December 31	
	2022	2021
	(in thousands, except unit amounts)	
LIABILITIES, REDEEMABLE NON-CONTROLLING INTEREST AND CAPITAL		
Liabilities:		
Payables:		
Brokers and dealers	\$ 389,828	\$ 265,957
Securities sold not yet purchased	—	3,828
Brokerage clients	3,322,903	3,603,558
AB mutual funds	162,291	94,962
Contingent consideration liability	247,309	38,260
Accounts payable and accrued expenses	173,466	219,047
Lease liabilities	427,479	490,735
Liabilities of consolidated company-sponsored investment funds	55,529	87,000
Accrued compensation and benefits	415,878	369,649
Debt	990,000	755,000
Liabilities held for sale	107,952	—
Total liabilities	6,292,635	5,927,996
Commitments and contingencies (See Note 14)		
Redeemable non-controlling interest of consolidated entities	368,656	421,169
Capital:		
General Partner	45,985	42,850
Limited partners: 285,979,913 and 271,453,043 units issued and outstanding	4,648,113	4,336,211
Receivables from affiliates	(4,270)	(8,333)
AB Holding Units held for long-term incentive compensation plans	(95,318)	(119,470)
Accumulated other comprehensive loss	(129,477)	(90,335)
Partners' capital attributable to AB Unitholders	4,465,033	4,160,923
Non-redeemable non-controlling interests in consolidated entities	12,607	—
Total capital	4,477,640	4,160,923
Total liabilities, non-controlling interest and capital	\$ 11,138,931	\$ 10,510,088

See Accompanying Notes to Consolidated Financial Statements.

# AllianceBernstein L.P. and Subsidiaries

## Consolidated Statements of Income

	Years Ended December 31		
	2022	2021	2020
	(in thousands, except per unit amounts)		
Revenues:			
Investment advisory and services fees	\$ 2,971,038	\$ 3,194,524	\$ 2,595,436
Bernstein research services	416,273	452,017	459,744
Distribution revenues	607,195	652,240	529,781
Dividend and interest income	123,091	38,734	50,923
Investment (losses)	(102,413)	(636)	(16,401)
Other revenues	105,544	108,409	104,703
Total revenues	4,120,728	4,445,288	3,724,186
Less: Interest expense	66,438	3,686	15,650
Net revenues	4,054,290	4,441,602	3,708,536
Expenses:			
Employee compensation and benefits	1,666,636	1,716,013	1,494,198
Promotion and servicing:			
Distribution-related payments	629,572	708,117	569,283
Amortization of deferred sales commissions	34,762	34,364	27,355
Trade execution, marketing, T&E and other	215,556	197,486	189,787
General and administrative	641,635	555,608	491,070
Contingent payment arrangements	6,563	2,710	1,855
Interest on borrowings	17,906	5,145	6,180
Amortization of intangible assets	26,564	5,697	21,372
Total expenses	3,239,194	3,225,140	2,801,100
Operating income	815,096	1,216,462	907,436
Income tax	39,639	62,728	45,653
Net income	775,457	1,153,734	861,783
Net (loss) income of consolidated entities attributable to non-controlling interests	(56,356)	5,111	(4,169)
Net income attributable to AB Unitholders	\$ 831,813	\$ 1,148,623	\$ 865,952
Net income per AB Unit:			
Basic	\$ 3.01	\$ 4.18	\$ 3.19
Diluted	\$ 3.01	\$ 4.18	\$ 3.19

See Accompanying Notes to Consolidated Financial Statements.

# AllianceBernstein L.P. and Subsidiaries

## Consolidated Statements of Comprehensive Income

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
Net income	\$ 775,457	\$ 1,153,734	\$ 861,783
Other comprehensive income:			
Foreign currency translation adjustments, before reclassification and tax:	(47,208)	(7,839)	23,882
Less: reclassification adjustment for gains (losses) included in net income upon liquidation	—	4,458	(216)
Foreign currency translation adjustments, before tax	(47,208)	(12,297)	24,098
Income tax benefit (expense)	1,215	457	(854)
Foreign currency translation adjustments, net of tax	(45,993)	(11,840)	23,244
Changes in employee benefit related items:			
Amortization of prior service cost	24	24	24
Recognized actuarial gain (loss)	6,922	15,743	(4,280)
Changes in employee benefit related items	6,946	15,767	(4,256)
Income tax (expense)	(95)	(59)	(187)
Employee benefit related items, net of tax	6,851	15,708	(4,443)
Other comprehensive (loss) gain	(39,142)	3,868	18,801
Less: Comprehensive (loss) income in consolidated entities attributable to non-controlling interests	(56,356)	5,111	(4,169)
<b>Comprehensive income attributable to AB Unitholders</b>	<b>\$ 792,671</b>	<b>\$ 1,152,491</b>	<b>\$ 884,753</b>

See Accompanying Notes to Consolidated Financial Statements.

# AllianceBernstein L.P. and Subsidiaries

## Consolidated Statements of Changes in Partners' Capital

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
<b>General Partner's Capital</b>			
Balance, beginning of year	\$ 42,850	\$ 41,776	\$ 41,225
Net income	8,318	11,486	8,660
Cash distributions to General Partner	(10,715)	(10,605)	(8,376)
Long-term incentive compensation plans activity	25	117	(23)
(Retirement) issuance of AB Units, net	(385)	76	290
Issuance of AB Units for CarVal acquisition	5,892	—	—
Balance, end of year	45,985	42,850	41,776
<b>Limited Partners' Capital</b>			
Balance, beginning of year	4,336,211	4,229,485	4,174,201
Net income	823,495	1,137,137	857,292
Cash distributions to Unitholders	(1,059,105)	(1,049,287)	(828,503)
Long-term incentive compensation plans activity	2,521	11,586	(2,147)
(Retirement) issuance of AB Units, net	(38,286)	7,290	28,642
Issuance of AB Units for CarVal acquisition	583,277	—	—
Balance, end of year	4,648,113	4,336,211	4,229,485
<b>Receivables from Affiliates</b>			
Balance, beginning of year	(8,333)	(8,316)	(9,011)
Long-term incentive compensation awards expense	607	941	802
Capital contributions from (to) AB Holding	3,456	(958)	(107)
Balance, end of year	(4,270)	(8,333)	(8,316)
<b>AB Holding Units held for Long-term Incentive Compensation Plans</b>			
Balance, beginning of year	(119,470)	(57,219)	(76,310)
Purchases of AB Holding Units to fund long-term compensation plans, net	(210,568)	(261,825)	(148,624)
Retirement (issuance) of AB Units, net	40,346	(7,348)	(28,696)
Long-term incentive compensation awards expense	198,783	215,484	194,840
Re-valuation of AB Holding Units held in rabbi trust	(4,240)	(9,690)	1,556
Other	(169)	1,128	15
Balance, end of year	(95,318)	(119,470)	(57,219)
<b>Accumulated Other Comprehensive (Loss)</b>			
Balance, beginning of year	(90,335)	(94,203)	(113,004)
Foreign currency translation adjustment, net of tax	(45,993)	(11,840)	23,244
Changes in employee benefit related items, net of tax	6,851	15,708	(4,443)
Balance, end of year	(129,477)	(90,335)	(94,203)
<b>Total Partners' Capital attributable to AB Unitholders</b>	<b>4,465,033</b>	<b>4,160,923</b>	<b>4,111,523</b>
<b>Non-redeemable Non-controlling Interests in Consolidated Entities</b>			
Balance, beginning of year	—	—	—
CarVal acquisition	12,607	—	—
Balance, end of year	12,607	—	—
<b>Total Capital</b>	<b>\$ 4,477,640</b>	<b>\$ 4,160,923</b>	<b>\$ 4,111,523</b>

See Accompanying Notes to Consolidated Financial Statements.

# AllianceBernstein L.P. and Subsidiaries

## Consolidated Statements of Cash Flows

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
Cash flows from operating activities:			
<b>Net income</b>	<b>\$ 775,457</b>	<b>\$ 1,153,734</b>	<b>\$ 861,783</b>
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of deferred sales commissions	34,762	34,364	27,355
Non-cash long-term incentive compensation expense	199,390	216,425	195,642
Depreciation and other amortization	66,617	44,985	61,028
Unrealized losses on investments	40,857	4,454	10,405
Unrealized losses (gains) on investments of consolidated company-sponsored investment funds	73,194	1,882	(854)
Non-cash lease expense	99,861	98,773	98,798
Loss on assets held for sale	7,400	—	—
Other, net	14,604	22,580	(2,914)
Changes in assets and liabilities:			
(Increase) decrease in securities, segregated	(18,474)	249,521	(658,612)
Decrease (increase) in receivables	35,410	(360,789)	(182,684)
(Increase) decrease in investments	(10,331)	(27,000)	7,597
Decrease (increase) in investments of consolidated company-sponsored investment funds	23,295	(312,325)	279,276
(Increase) in deferred sales commissions	(12,113)	(45,197)	(55,125)
(Increase) decrease in other assets	(5,487)	(6,578)	69,160
(Increase) decrease in other assets and liabilities of consolidated company-sponsored investment funds, net	(45,432)	38,161	7,169
Increase in payables	110,112	214,139	861,502
(Decrease) increase in accounts payable and accrued expenses	(8,424)	35,877	10,666
(Decrease) increase in accrued compensation and benefits	(150,285)	50,545	46,885
Cash payments to relieve operating lease liabilities	(109,182)	(114,769)	(115,656)
<b>Net cash provided by operating activities</b>	<b>1,121,231</b>	<b>1,298,782</b>	<b>1,521,421</b>
Cash flows from investing activities:			
Purchases of equity method investments	—	—	(4,079)
Purchases of furniture, equipment and leasehold improvements	(62,308)	(61,931)	(41,504)
Acquisition of businesses, net of cash acquired	40,282	(3,793)	(13,552)
<b>Net cash used in investing activities</b>	<b>(22,026)</b>	<b>(65,724)</b>	<b>(59,135)</b>
Cash flows from financing activities:			
Proceeds from debt, net	235,000	80,000	115,000
(Decrease) increase in overdrafts payable	(25,411)	16,192	(12,633)
Distributions to General Partner and Unitholders	(1,069,820)	(1,059,892)	(836,879)
Subscriptions (redemptions) of non-controlling interests of consolidated company-sponsored investment funds, net	3,843	313,699	(219,033)
Capital contributions from (to) affiliates	1,590	(2,346)	(867)
Additional investments by AB Holding with proceeds from exercise of compensatory options to buy AB Holding Units	178	3,402	147
Purchases of AB Holding Units to fund long-term incentive compensation plan awards, net	(210,568)	(261,825)	(148,624)
Payment of acquisition-related debt obligation	(42,661)	—	—
Other, net	(2,131)	(2,186)	306
<b>Net cash used in financing activities</b>	<b>(1,109,980)</b>	<b>(912,956)</b>	<b>(1,102,583)</b>
Effect of exchange rate changes on cash and cash equivalents	(56,234)	(17,982)	23,032
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(67,009)</b>	<b>302,120</b>	<b>382,735</b>
Cash and cash equivalents as of beginning of the period	1,376,026	1,073,906	691,171
<b>Cash and cash equivalents as of end of the period</b>	<b>\$ 1,309,017</b>	<b>\$ 1,376,026</b>	<b>\$ 1,073,906</b>

<b>Cash paid:</b>			
Interest paid	\$ 78,434	\$ 5,263	\$ 18,858
Income taxes paid	55,473	55,656	59,791
<b>Non-cash investing activities:</b>			
Fair value of assets acquired (excluding cash acquired of \$40.8 million, \$2.8 million and \$0.6 million, for 2022, 2021 and 2020, respectively)	1,085,141	13,235	18,389
Fair value of deferred tax asset recorded	5,072	—	—
Fair value of liabilities assumed	296,750	1,642	437
Fair value of non-redeemable non-controlling interest recorded	13,191	—	—
<b>Non-cash financing activities:</b>			
Payables recorded under contingent payment arrangements	231,385	7,800	4,400
Equity consideration issued in connection with acquisition	589,169	—	—

See Accompanying Notes to Consolidated Financial Statements.

# AllianceBernstein L.P. and Subsidiaries

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## 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 diversified investment management, research 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 Equitable Holdings, Inc. (“**EQH**”) 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 asset management and private wealth management businesses. Our research disciplines include economic, fundamental equity, fixed income and quantitative research. In addition, we have expertise in multi-asset strategies, wealth management, environmental, social and corporate governance (“**ESG**”), and alternative investments.

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

- Actively managed equity strategies across global and regional universes, as well as capitalization ranges, concentration ranges and investment strategies, including value, growth and core equities;
- Actively managed traditional and unconstrained fixed income strategies, including taxable and tax-exempt strategies;
- Actively managed alternative investments, including hedge funds, fund of funds and direct assets (e.g., direct lending, real estate and private equity);
- Portfolios with Purpose, including actively managed, impact-focused and Responsible+ (climate-conscious, ESG leaders, change catalysts) equity, fixed income and multi-asset strategies that address our clients evolving need to invest their capital with purpose while pursuing strong investment returns;
- Multi-asset services and solutions, including dynamic asset allocation, customized target-date funds and target-risk funds; and
- Some passive management, including index, ESG index and enhanced index strategies.

Part II

Organization

As of December 31, 2022, EQH owned approximately 3.5% of the issued and outstanding units representing assignments of beneficial ownership of limited partnership interests in AllianceBernstein Holding L.P. (“**AB Holding Units**”). AllianceBernstein Corporation (an indirect wholly-owned subsidiary of EQH, “**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. As of December 31, 2022, the ownership structure of AB, including limited partnership units outstanding as well as the general partner’s 1% interest, was as follows:

EQH and its subsidiaries	59.9 %
AB Holding	39.4
Unaffiliated holders	0.7
	<b>100.0 %</b>

Including both the general partnership and limited partnership interests in AB Holding and AB, EQH and its subsidiaries had an approximate 61.3% economic interest in AB as of December 31, 2022.

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, and the consolidated entities that are considered to be variable interest entities (“**VIEs**”) and voting interest entities (“**VOEs**”) in which AB has a controlling financial interest. Non-controlling interests on the consolidated statements of financial condition include the portion of consolidated company-sponsored investment funds in which we do not have direct equity ownership. All significant inter-company transactions and balances among the consolidated entities have been eliminated.

Recently Adopted Accounting Pronouncements or Accounting Pronouncements Not Yet Adopted

During 2022, there have been no recently adopted accounting pronouncements or pronouncements not yet adopted that have or are expected to have a material impact on our consolidated results of operations.

Revenue Recognition

Investment Advisory and Services Fees

AB provides asset management services by managing customer assets and seeking to deliver investment returns to investors. Each investment management contract between AB and a customer creates a distinct, separately identifiable performance obligation for each day the customer’s assets are managed as the customer can benefit from each day of service. In accordance with ASC 606, a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer are treated as a single performance obligation. Accordingly, we have determined that our investment and advisory services are performed over time and entitle us to variable consideration earned based on the value of the investors’ assets under management (“**AUM**”).

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 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.

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. We record as revenue investment advisory and services base fees, which we generally calculate as a percentage of AUM. At month-end, all the components of the transaction price (*i.e.*, the base fee calculation) are no longer variable and the value of the consideration is determined. These fees are not subject to claw back and there is minimal probability that a significant reversal of the revenue recorded will occur.

The transaction price for the asset management performance obligation for certain investment advisory contracts, including those associated with hedge funds or other alternative investments, provide for a performance-based fee (including carried interest), 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. The performance-based fees are forms of variable consideration and are therefore excluded from the transaction price until it becomes probable that there will not be significant reversal of the cumulative revenue recognized. At each reporting date, we evaluate the constraining factors, *discussed below*, surrounding the variable consideration to determine the extent to which, if any, revenues associated with the performance-based fee can be recognized.

Constraining factors impacting the amount of variable consideration included in the transaction price include: the contractual claw-back provisions to which the variable consideration is subject, the length of time to which the uncertainty of the consideration is subject, the number and range of possible consideration amounts, the probability of significant fluctuations in the fund's market value, the level at which the fund's value exceeds the contractual threshold required to earn such a fee, and the materiality of the amount being evaluated.

## Bernstein Research Services

Bernstein Research Services revenue consists principally of commissions received, and to a lesser but increasing extent, direct payments for trade execution services and equity research services provided to institutional clients. Brokerage commissions for trade execution services and related expenses are recorded on a trade-date basis when the performance obligations are satisfied. Generally, the transaction price is agreed upon at the time of each trade and is based upon the number of shares traded or the value of the consideration traded. Research revenues are recognized when the transaction price is quantified, collectability is assured and significant reversal of such revenue is not probable.

In the fourth quarter of 2022, AB and Société Générale (Euronext: SCGLY, "**SocGen**"), a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses. As a result, the Bernstein Research Services ("**BRS**") business has been classified as held for sale. For further discussion, *see Note 24 Acquisitions and Divestitures*.

## 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 full or partial reimbursement of the distribution expenses they incur. The variable consideration can be determined in different ways, *as discussed below*, as we satisfy the performance obligation depending on the contractual arrangements with the customer and the specific product sold.

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 ("**12b-1 fees**"). The open-end U.S. funds have such agreements with us, and we have 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.

We record 12b-1 fees monthly based upon a percentage of the net asset value ("**NAV**") of the funds. At month-end, the variable consideration of the transaction price is no longer constrained as the NAV can be calculated and the value of consideration is determined. These services are separate and distinct from other asset management services as the customer can benefit from these services independently of other services. We accrue the corresponding 12b-1 fees paid to sub-distributors monthly as the expenses are incurred. We are acting in a principal capacity in these transactions; as such, these revenues and expenses are recorded on a gross basis.

## Part II

We offer back-end load shares in limited instances and charge the investor a contingent deferred sales charge (“**CDSC**”) if the investment is redeemed within a certain period. The variable consideration for these contracts is contingent on the timing of the redemption by the investor and the value of the sale proceeds. Due to these constraining factors, we exclude the CDSC fee from the transaction price until the investor redeems the investment. Upon redemption, the cash consideration received for these contractual arrangements are recorded as reductions of unamortized deferred sales commissions.

Our Luxembourg subsidiary, the management company for most of our non-U.S. funds, earns a management fee that is accrued daily and paid monthly, at an annual rate, based on the average daily net assets of the fund. With respect to certain share classes, the management fee may also contain a component that is paid to distributors and other financial intermediaries and service providers to cover shareholder servicing and other administrative expenses (also referred to as an All-in-Fee). As we have concluded that asset management is distinct from distribution, we allocate a portion of the investment and advisory fee to distribution revenues for the servicing component based on standalone selling prices.

### Other Revenues

Revenues from contracts with customers include a portion of other revenues, which consists primarily of shareholder servicing fees, as well as mutual fund reimbursements and other brokerage income.

We provide shareholder services, which include transfer agency, administrative and recordkeeping services provided to company-sponsored mutual funds. The consideration for these services is based on a percentage of the NAV of the fund or a fixed fee based on the number of shareholder accounts being serviced. The revenues are recorded at month-end when the constraining factors involved with determining NAV or the number of shareholders' accounts are resolved.

### Non-Contractual Revenues

Dividend and interest income is accrued as earned. Investment gains and losses on the consolidated statements of income include unrealized gains and losses of trading and private equity investments stated at fair value, equity in earnings of our limited partnership hedge fund investments, and realized gains and losses on investments sold.

### Contract Assets and Liabilities

We use the practical expedient for contracts that have an original duration of one year or less. Accordingly, we do not consider the time value of money and, instead, accrue the incremental costs of obtaining the contract when incurred. As of December 31, 2022, the balances of contract assets and contract liabilities are not considered material and, accordingly, no further disclosures are necessary.

### Consolidation of Company-Sponsored Investment Funds

For legal entities (company-sponsored investment funds) evaluated for consolidation, we first determine whether the fees we receive and the interests we hold qualify as a variable interest in the entity, including an evaluation of fees paid to us as a decision maker or service provider to the entity being evaluated. Fees received by us are not variable interests if (i) the fees are compensation for services provided and are commensurate with the level of effort required to provide those services, (ii) the service arrangement includes only terms, conditions or amounts that are customarily present in arrangements for similar services negotiated at arm's length, and (iii) our other economic interests in the entity held directly and indirectly through our related parties, as well as economic interests held by related parties under common control, would not absorb more than an insignificant amount of the entity's losses or receive more than an insignificant amount of the entity's benefits.

For those entities in which we have a variable interest, we perform an analysis to determine whether the entity is a VIE by considering whether the entity's equity investment at risk is insufficient, whether the investors lack decision making rights proportional to their ownership percentage of the entity, and whether the investors lack the obligation to absorb an entity's expected losses or the right to receive an entity's expected income.

A VIE must be consolidated by its primary beneficiary, which generally is defined as the party that has a controlling financial interest in the VIE. We are deemed to have a controlling financial interest in a VIE if we have (i) the power to direct the activities of the VIE that most significantly affect the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive income from the VIE that could potentially be significant to the VIE. For purposes of evaluating (ii) above, fees paid to us as a decision maker or service provider are excluded if the amount of fees is commensurate with the level of effort required to be performed and the arrangement includes only customary terms, conditions or amounts present in arrangements for similar services negotiated at arm's length. The primary beneficiary evaluation generally is performed qualitatively based on all facts and circumstances, as well as quantitatively, as appropriate.

If we have a variable interest in an entity that is determined not to be a VIE, the entity is then evaluated for consolidation under the VOE model. For limited partnerships and similar entities, we are deemed to have a controlling financial interest in a VOE, and would be required to consolidate the entity, if we own a majority of the entity's kick-out rights through voting limited partnership interests and limited partners do not hold substantive participating rights (or other rights that would indicate that we do not control the entity). For entities other than limited partnerships, we are deemed to have a controlling financial interest in a VOE if we own a majority voting interest in the entity.

The analysis performed regarding the determination of variable interests held, whether entities are VIEs or VOEs, and whether we have a controlling financial interest in such entities, requires the exercise of judgment. The analysis is updated continuously as circumstances change or new entities are formed.

## 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 (and considered Level 1 securities in the fair value hierarchy).

## 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.

## Brokerage 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, 2022 and 2021, we had \$267.1 million and \$23.4 million of re-pledged securities, respectively. 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, 2022 and 2021. 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, 2022 and 2021, there is no allowance provision required for the collateral advanced. Income or expense is recognized over the life of the transaction.

Cash on deposit with clearing organizations for trade facilitation purposes is reported in assets held for sale as of December 31, 2022 and other assets as of December 31, 2021, in our consolidated statements of financial condition. As of December 31, 2021, we had \$114.9 million of cash on deposit with clearing organizations. As of December 31, 2022 and 2021, we held no U.S. Treasury bills pledged as collateral. These clearing organizations have the ability by contract or custom to sell or re-pledge the collateral, if any.

**Part II****Current Expected Credit Losses- Receivables from Brokerage clients**

Receivables from clients primarily consists of margin loan balances. The value of the securities owned by clients and held as collateral for these receivables is not reflected in the consolidated financial statements and the collateral was not repledged or sold as of December 31, 2022 and 2021. We consider these financing receivables to be of good credit quality because these receivables are primarily collateralized by the related client investments.

To estimate expected credit losses on margin loans, we applied the collateral maintenance practical expedient by comparing the amortized cost basis of the margin loans with the fair value of the collateral at the reporting date. Margin loans are limited to a percentage of the total value of the securities held in the client's account against those loans. AB requires, in the event of a decline in the market value of the securities in a margin account, the client to deposit additional securities or cash so that, at all

times, the value of the securities in the account, at a minimum, cover the loan to the client. As such, AB reasonably expects that the borrower will be able to continually replenish collateral securing the financial asset and does not expect the fair value of collateral to fall below the amortized cost basis of the margin loans and, as a result, we consider the credit risk associated with these receivables to be minimal. In circumstances when a loan becomes undercollateralized and the client fails to deposit additional securities or cash, AB reserves the right to liquidate the account.

**Current Expected Credit Losses - Receivables from Revenue Contracts with Customers**

The majority of our revenue receivables are from investment advisory and service fees, and distribution revenues, that are typically paid out of the client accounts or third-party products consisting of cash and securities. Due to the size of the fees in relation to the value of the cash and securities in account or funds, the account value always exceeds the amortized cost basis of the receivables, resulting in a remote risk of loss. These receivables have a short duration, generally due within 30-90 days and there is minimal historical evidence of non-payment or market declines that would cause the fair value of the underlying securities to decline below the amortized cost of the receivables. AB maintains an allowance for credit losses based upon an estimate of the amount of potential credit losses in existing accounts receivable, as determined from a review of aging schedules, past due balances, historical collection experience and other specific account data. Once determined uncollectible, aged balances are written off as credit loss expense. This determination is based on careful analysis of individual receivables and aging schedules, and generally occurs when the receivable becomes over 360 days past due. Our aged receivables and amounts written off related to credit losses in any year are not material.

**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**

Our acquisitions are accounted for under the acquisition method of accounting, where the cost of the acquisition is 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, results in the recognition of goodwill.

On July 1, 2022, AB Holding acquired a 100% ownership interest in CarVal Investors L.P. ("**CarVal**"). Immediately following its acquisition of CarVal (the "**CarVal acquisition**"), AB Holding contributed 100% of its equity interests in CarVal to AB in exchange for AB Units (see *Note 24 Acquisitions and Divestitures*).

On November 22, 2022, AB and SocGen, a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses. As a result, the BRS business has been classified as held for sale and \$159.8 million of goodwill recorded on the consolidated statement of financial condition has been allocated to the held for sale disposal group. As AB is a single reporting unit, we have allocated goodwill to the disposal group based on the relative fair values of (1) the disposal group and (2) the portion of the reporting unit that will be retained. For further discussion, see *Note 24 Acquisitions and Divestitures*.

As of December 31, 2022, we had goodwill of \$3.6 billion on the consolidated statement of financial condition which included \$666.1 million as a result of the CarVal acquisition in the third quarter of 2022, \$2.8 billion as a result of the Sanford C. Bernstein Inc. ("**Bernstein**") acquisition in 2000 and \$291.9 million in regard to various smaller acquisitions. Approximately, \$159.8 million of goodwill has been classified as assets held for sale on the consolidated statement of financial condition.

Goodwill is tested annually, as of September 30, for impairment utilizing the market approach where the fair value of the reporting unit is based on its unadjusted market valuation (AB Units outstanding multiplied by AB Holding's Unit price) and adjusted market valuations assuming a control premium (when applicable). 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. Throughout the year, the carrying value of goodwill is also reviewed for impairment if certain events or changes in circumstances occur and trigger whether an interim impairment test may be required. Such changes in circumstances may include, but are not limited to, significant transactions including acquisitions or divestitures; a sustained decrease in the price of an AB Holding Unit or declines in AB's market capitalization that would suggest that the fair value of the

reporting unit is less than the carrying amount; significant and unanticipated declines in AB's assets under management or revenues; and/or lower than expected earnings per unit. Any of these changes in circumstances could suggest the possibility that goodwill is impaired, but none of these events or circumstances by itself would indicate that it is more likely than not that goodwill is impaired. Instead, they are merely recognized as triggering events for the consideration of impairment and must be viewed in combination with any mitigating or positive factors. A holistic evaluation of all events since the most recent quantitative impairment test must be done to determine whether it is more likely than not that the reporting unit is impaired. As of September 30, 2022, the impairment test indicated that goodwill was not impaired. The announcement of the planned joint venture between AB and SocGen and classification of the BRS business as held for sale on the consolidated statement of financial condition during the fourth quarter of 2022 was a triggering event requiring an interim impairment test; as such, we tested our goodwill as of December 31, 2022. The impairment test indicated that goodwill was not impaired.

Under ASU 2017-04, Simplifying the Test for Goodwill Impairment, a goodwill impairment will be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. Under this guidance, the goodwill impairment test no longer includes a determination by management of whether a decline in fair value is temporary; however, it is important that management's determination of fair value reflect the impact of changing market conditions, including the severity and anticipated duration of any such changes.

## Business Combinations

We account for business combinations using the acquisition method of accounting whereby the identifiable assets and liabilities of the acquired business, as well as any noncontrolling interest in the acquired business, are recorded at their estimated fair values as of the date that we obtain control of the acquired business. Any purchase consideration in excess of the estimated fair values of the net assets acquired is recorded as goodwill. Acquisition-related expenses are expensed as incurred.

Often, as part of the business combination, intangible assets are recorded based on their estimated fair value at the time of acquisition and primarily relate to acquired investment management contracts. We periodically review indefinite-lived 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. During 2022 and 2021, these expenses included an intangible asset impairment charge of \$5.6 million and \$1.0 million, respectively, related to various historical acquisitions.

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 a discounted basis on our consolidated statement 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. The CarVal acquisition resulted in the recording of a contingent consideration payable of \$228.9 million if certain performance targets are achieved over a six-year period (see *Note 9 Fair Value* and *Note 24 Acquisitions and Divestitures*). During 2022, there were no impairments of contingent consideration payable recorded in the consolidated statements of income. During the fourth quarters of 2021 and 2020, we recorded an impairment of the contingent consideration payable of \$0.6 million and \$1.4 million, respectively. These impairments were related to our 2016 acquisition of Ramius Alternative Solutions LLC.

Several valuation methods may be used to determine the fair value of assets acquired and liabilities assumed. For intangible assets, we typically use a method that is a form of the income approach, whereby a forecast of future cash flows attributable to the asset are discounted to present value using a risk-adjusted discount rate. Similarly for contingent liabilities, we develop a forecast of future cash flows attributable to the performance objectives that are then discounted to present value using a risk-adjusted discount rate. Some of the more significant estimates and assumptions inherent in the income approach include the amount and timing of projected future cash flows and the discount rate selected to measure the risks inherent in the future cash flows. See *Note 24 Acquisitions and Divestitures*.

## Intangible Assets, Net

Intangible assets consist primarily of costs assigned to acquired investment management contracts 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 5 to 20 years.

The CarVal acquisition resulted in recording of \$303.0 million of finite-lived intangible assets primarily relating to investment management contracts and investor relationships with useful lives ranging from 5 to 10 years (see *Note 24 Acquisitions and Divestitures*).

As of December 31, 2022, intangible assets, net of accumulated amortization, of \$310.2 million on the consolidated statement of financial condition consists of \$295.0 million of finite-lived intangible assets subject to amortization and \$15.2 million of indefinite-lived intangible assets not subject to amortization.

As of December 31, 2021, intangible assets, net of accumulated amortization, of \$41.5 million on the consolidated statement of financial condition consisted of \$26.3 million of finite-lived intangible assets subject to amortization and \$15.2 million of indefinite-lived intangible assets not subject to amortization in regard to other acquisitions.

## Part II

The gross carrying amount of finite-lived intangible assets totaled \$327.9 million as of December 31, 2022 and \$53.8 million as of December 31, 2021, and accumulated amortization was \$32.9 million as of December 31, 2022 and \$27.5 million as of December 31, 2021.

Amortization expense was \$26.6 million for 2022, \$5.7 million for 2021 and \$21.4 million for 2020. Estimated annual amortization expense is approximately \$47 million annually in years one through three, \$46 million in year four and approximately \$25 million in year five.

We periodically review indefinite-lived 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. During the fourth quarter of 2022 we performed an impairment assessment and recorded an impairment of \$5.6 million related to our 2014 acquisition of CPH Capital. During the fourth quarters of 2021 and 2020, we recorded impairments of \$1.0 million and \$1.5 million, respectively, related to our 2016 acquisition of Ramius Alternative Solutions LLC. Due to the loss of acquired investment management contracts during each respective year, the carrying value of the finite-lived intangible assets exceeded the fair value of the contracts. We determined the fair value of the contracts using a discounted cash flow model. The impairment charge was recorded in general and administrative expenses in the consolidated statements of income.

## 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 one year 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 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.

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 these factors indicate impairment in value, we compare the carrying value to the undiscounted cash flows expected to be generated by the asset over its remaining life. If we determine the deferred sales commission asset is not fully recoverable, the asset will be deemed impaired and a loss will be recorded in the amount by which the recorded amount of the asset exceeds its estimated fair value. There were no impairment charges recorded during 2022 or 2021.

## Leases

We determine if an arrangement is a lease at inception. Both operating and finance leases are included in the right-of-use ("**ROU**") assets and lease liabilities in our consolidated statement of financial condition.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. We use our consolidated incremental borrowing rate based on the information available as of the lease commencement date in determining the present value of lease payments. Our lease terms may include options to extend or terminate the lease. These options to extend or terminate are assessed on a lease-by-lease basis, and the ROU assets and lease liabilities are adjusted when it is reasonably certain that an option will be exercised.

When calculating the measurement of ROU assets and lease liabilities, we utilize the fixed payments associated with the lease and do not include other variable contractual obligations, such as operating expenses, real estate taxes, cleaning and utilities. These costs are accounted for as period costs and expensed as incurred.

Additionally, we exclude any intangible assets such as software licensing agreements as stated in ASC 842-10-15-1. These arrangements will continue to follow the guidance of ASC 350, *Intangibles - Goodwill and Other*.

## 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.

## Assets and Liabilities Held for Sale

The Company classifies assets and liabilities to be sold (disposal group) as held for sale in the period when all of the applicable criteria are met, including: (i) management commits to a plan to sell, (ii) the disposal group is available to sell in its present condition, (iii) there is an active program to locate a buyer, (iv) the disposal group is being actively marketed at a reasonable price in relation to its fair value, (v) significant changes to the plan to sell are unlikely, and (vi) the sale of the disposal group is generally probable of being completed within one year. Management performs an assessment of held for sale at least quarterly or when events or changes in business circumstances indicate that a change in classification may be necessary. Assets and liabilities held for sale are presented separately within the consolidated statements of financial condition with any adjustments necessary to measure the disposal group at the lower of its carrying value or fair value less costs to sell. Depreciation of property, plant and equipment and amortization of intangible and right-of-use assets are not recorded while these assets are classified as held for sale. For each reporting period the disposal group remains classified as held for sale, the carrying value of the disposal group is adjusted for subsequent changes in fair value less costs to sell. A loss is recognized for any subsequent decrease in fair value less costs to sell, while a gain is recognized in any subsequent period for any subsequent increase in fair value less cost to sell, but not in excess of the cumulative loss previously recognized. If, in any period, the carrying value of the disposal group exceeds the estimated fair value less costs to sell, a loss is recognized on sale rather than an impairment loss.

Assets and liabilities classified as held for sale on the consolidated statement of financial condition as of December 31, 2022 were \$551.4 million and \$108.0 million, respectively. The 2021 consolidated statement of financial condition was not recast for assets and liabilities classified as held for sale in 2022.

## 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 the trade date. Receivables from brokers and dealers for sale of shares of company-sponsored mutual funds generally are realized within three business days from the 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, and 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**").

Awards granted in December 2022, 2021 and 2020 allowed employees 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 100% of their award to deferred cash. For these awards, the number of AB Holding Units awarded was based on the closing price of an AB Holding Unit on the date as of which the awards were approved by the Compensation and Workplace Practices Committee (the "**Compensation Committee**") of the Board of Directors (the "**Board**"). For awards granted in 2022, 2021 and 2020:

- We engaged in open-market purchases of AB Holding Units or purchase newly issued AB Holding Units from AB Holding that are awarded to participants and keep them in a consolidated rabbi trust.
- Quarterly distributions on vested and unvested AB Holding Units were paid to participants, regardless of whether or not a long-term deferral election has been made.
- Interest on deferred cash was 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 covenants set forth in the applicable award agreement, including the imposition of forfeiture as a result of post-employment competition, prohibitions on employee and client solicitation, and a potential claw-back for failing to follow existing risk management policies. Because there is no service requirement, we fully expense these awards on the 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 the award agreement includes employee service requirements, AB Holding Units typically are delivered to employees ratably over three years to four years, unless the employee has made a long-term deferral election.

## Part II

Grants of restricted AB Holding Units can be awarded to Eligible Directors. Generally, these restricted AB Holding Units vest ratably over three years. These restricted AB Holding Units are not forfeitable (except if the Eligible Director is terminated for “Cause,” as that term is defined in the applicable award agreement). We fully expense these awards on grant date, as there is no service requirement.

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 these AB Holding Units in a consolidated rabbi trust until delivering them or retiring them. In accordance with the Amended and Restated Agreement of Limited Partnership of AB (“AB”), 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.

Repurchases of AB Holding Units for the years ended December 31, 2022 and 2021 consisted of the following:

	Years Ended December 31	
	2022	2021
	(in millions)	
Total amount of AB Holding Units Purchased <sup>(1)</sup>	5.2	5.6
Total Cash Paid for AB Holding Units Purchased <sup>(1)</sup>	\$ 211.8	\$ 262.3
Open Market Purchases of AB Holding Units Purchased <sup>(1)</sup>	2.3	2.6
Total Cash Paid for Open Market Purchases of AB Holding Units <sup>(1)</sup>	\$ 92.7	\$ 117.9

<sup>(1)</sup> Purchased on a trade date basis. The difference between open-market purchases and units retained reflects the retention of AB Holding Units from employees to fulfill statutory tax withholding requirements at the time of delivery of long-term incentive compensation awards.

Each quarter, we consider whether to implement a plan to repurchase AB Holding Units pursuant to Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended (“**Exchange Act**”). A plan of this type 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 to repurchase AB Holding Units on our behalf in accordance with the terms and limitations specified in 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. There was no plan adopted during the fourth quarter of 2022. We may adopt additional 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 2022, we granted to employees and Eligible Directors 4.7 million restricted AB Holding Units (including 3.8 million granted in December for 2022 year-end awards to employees). During 2021, we granted to employees and Eligible Directors 7.0 million restricted AB Holding Units (including 3.4 million granted in December for 2021 year-end awards to employees). We used AB Holding Units repurchased during the periods and newly-issued AB Holding Units to fund these awards.

During 2022 and 2021, AB Holding issued 5,774 and 0.1 million AB Holding Units, respectively, upon exercise of options to buy AB Holding Units. AB Holding used the proceeds of \$0.2 million and \$3.4 million, respectively, received from award recipients 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 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 losses were \$10.2 million, \$8.5 million and \$3.3 million for 2022, 2021 and 2020, 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, with the concurrence of the Board, that one or more adjustments that are made for adjusted net income should not be made with respect to the Available Cash Flow calculation.

On February 8, 2023, the General Partner declared a distribution of \$0.77 per AB Unit, representing a distribution of Available Cash Flow for the three months ended December 31, 2022. 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 16, 2023 to holders of record on February 21, 2023.

Total cash distributions per Unit paid to the General Partner and Unitholders during 2022, 2021 and 2020 were \$3.87, \$3.86 and \$3.08, 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 foreign currency translation adjustments, actuarial gains (losses) and prior service cost. Deferred taxes were not recognized on foreign currency translation adjustments for foreign subsidiaries which had earnings that were considered permanently invested outside the United States.

## Subsequent Events

We have evaluated subsequent events through the date that these financial statements were filed with the SEC and did not identify any subsequent events that would have required disclosure in these financial statements.

## 3. Revenue Recognition

Revenues for the years ended December 31, 2022, 2021 and 2020 consisted of the following:

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
Subject to contracts with customers:			
Investment advisory and services fees			
Base fees	\$ 2,825,791	\$ 2,949,405	\$ 2,462,810
Performance-based fees	145,247	245,119	132,626
Bernstein research services	416,273	452,017	459,744
Distribution revenues			
All-in-management fees	290,740	350,674	331,268
12b-1 fees	69,041	83,920	75,973
Other distribution fees	247,414	217,646	122,540
Other revenues			
Shareholder servicing fees	86,661	90,225	82,317
Other	18,120	16,034	21,240
	4,099,287	4,405,040	3,688,518
Not subject to contracts with customers:			
Dividend and interest income, net of interest expense	56,653	35,048	35,273
Investment (losses)	(102,413)	(636)	(16,401)
Other revenues	763	2,150	1,146
	(44,997)	36,562	20,018
<b>Total net revenues</b>	<b>\$ 4,054,290</b>	<b>\$ 4,441,602</b>	<b>\$ 3,708,536</b>

## Part II

### 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 limited partnership 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 limited partnership units outstanding for each year.

	Years Ended December 31		
	2022	2021	2020
	(in thousands, except per unit amounts)		
Net income attributable to AB Unitholders	\$ 831,813	\$ 1,148,623	\$ 865,952
Weighted average units outstanding—basic	273,943	271,729	269,058
Dilutive effect of compensatory options to buy AB Holding Units	1	11	27
Weighted average units outstanding—diluted	273,944	271,740	269,085
<b>Basic net income per AB Unit</b>	<b>\$ 3.01</b>	<b>\$ 4.18</b>	<b>\$ 3.19</b>
<b>Diluted net income per AB Unit</b>	<b>\$ 3.01</b>	<b>\$ 4.18</b>	<b>\$ 3.19</b>

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
<b>Anti-dilutive options excluded from diluted net income</b>	<b>—</b>	<b>—</b>	<b>29,056</b>

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

As of both December 31, 2022 and 2021, \$1.5 billion 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.

### 6. Investments

Investments consist of:

	Years Ended December 31	
	2022	2021
	(in thousands)	
Equity securities:		
Long-term incentive compensation-related	\$ 21,055	\$ 32,237
Seed capital	138,012	133,992
Other <sup>(1)</sup>	—	18,243
Exchange-traded options <sup>(1)</sup>	—	1,893
Investments in limited partnership hedge funds:		
Long-term incentive compensation-related	26,815	31,602
Seed capital	15,711	19,318
Time deposits	7,750	21,024
Other	8,175	15,109
<b>Total investments</b>	<b>\$ 217,518</b>	<b>\$ 273,418</b>

<sup>(1)</sup> Amounts have been classified as held for sale on the consolidated statement of financial position as of December 31, 2022. For further discussion, see Note 24 Acquisitions and Divestitures.

Total investments related to long-term incentive compensation obligations of \$47.9 million and \$63.8 million as of December 31, 2022 and 2021, respectively, consist of company-sponsored mutual funds and hedge funds. For long-term incentive compensation awards granted before 2009, we typically made investments in company-sponsored mutual funds and hedge funds 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.

We allocate seed capital to our investment teams to help develop new products and services for our clients. A portion of our 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. Regarding our seed capital investments, the amounts above reflect those funds in which we are not the primary beneficiary of a VIE or hold a controlling financial interest in a VOE. See Note 15, *Consolidated Company-Sponsored Investment Funds*, for a description of the seed capital investments that we consolidated. As of December 31, 2022 and 2021, our total seed capital investments were \$309.6 million and \$379.0 million, respectively. Seed capital investments in unconsolidated company-sponsored investment funds are valued using published net asset values or non-published net asset values if they are not listed on an active exchange but have net asset values that are comparable to funds with published net asset values and have no redemption restrictions.

In addition, we also have long positions in corporate equities and long exchange-traded options traded through our options desk.

The portion of unrealized gains (losses) related to equity securities, as defined by ASC 321-10, held as of December 31, 2022 and 2021 were as follows:

	Years Ended December 31	
	2022	2021
	(in thousands)	
Net (losses) gains recognized during the period	\$ (23,855)	\$ 19,240
Less: net gains recognized during the period on equity securities sold during the period	17,960	23,697
<b>Unrealized losses recognized during the period on equity securities held</b>	<b>\$ (41,815)</b>	<b>\$ (4,457)</b>

## 7. Derivative Instruments

See Note 15, *Consolidated Company-Sponsored Investment Funds*, for disclosure of derivative instruments held by our consolidated company-sponsored investment funds.

We enter into various futures, forwards, options and swaps to economically hedge certain seed capital investments. Also, we have currency forwards that help us to economically hedge certain balance sheet exposures. 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 ASC 815-10, *Derivatives and Hedging*.

## Part II

The notional value, fair value and gains and losses recognized in investment gains (losses) as of December 31, 2022 and 2021 for derivative instruments (excluding derivative instruments relating to 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)			
<b>December 31, 2022</b>				
Exchange-traded futures	\$ 154,687	\$ 1,768	\$ 162	\$ 19,994
Currency forwards	34,597	4,446	5,047	1,965
Interest rate swaps	16,847	386	262	70
Credit default swaps	225,671	17,507	7,302	(1,000)
Total return swaps	28,742	605	933	14,828
Option swaps	50,000	—	6	5,211
<b>Total derivatives</b>	<b>\$ 510,544</b>	<b>\$ 24,712</b>	<b>\$ 13,712</b>	<b>\$ 41,068</b>
<b>December 31, 2021</b>				
Exchange-traded futures	\$ 131,876	\$ 392	\$ 1,186	\$ (5,072)
Currency forwards	66,058	7,344	6,980	1,746
Interest rate swaps	13,483	497	833	(316)
Credit default swaps	155,757	6,594	6,967	(2,914)
Total return swaps	63,817	595	527	(6,433)
Option swaps	50,000	—	430	(309)
<b>Total derivatives</b>	<b>\$ 480,991</b>	<b>\$ 15,422</b>	<b>\$ 16,923</b>	<b>\$ (13,298)</b>

As of December 31, 2022 and 2021, 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 (losses) on the consolidated statements of income.

We may be exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments. We minimize our counterparty exposure through a credit review and approval process. In addition, we have 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, 2022 and 2021, we held \$8.4 million and \$2.9 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 typical 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, 2022 and 2021, we delivered \$4.2 million and \$5.6 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, 2022 long and short exchange-traded equity options were classified as held for sale on our consolidated statement of financial position. For further discussion, see *Note 24 Acquisitions and Divestitures*. As of December 31, 2021, we held \$1.9 million, respectively, of long exchange-traded equity options, which are included in other investments on our consolidated statements of financial condition. In addition, as of December 31, 2021, we held \$2.8 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 year ended December 31, 2022 and 2021, we recognized \$22.1 million of losses and zero gains or losses on equity options activity, respectively. These losses are recognized in investment gains (losses) in the consolidated statements of income.

## 8. Offsetting Assets and Liabilities

See Note 15, Consolidated Company-Sponsored Investment Funds, for disclosure of offsetting assets and liabilities of our consolidated company-sponsored investment funds.

Offsetting of assets as of December 31, 2022 and 2021 was as follows:

	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Financial Condition	Net Amounts of Assets Presented in the Statement of Financial Condition	Financial Instruments Collateral	Cash Collateral Received	Net Amount
(in thousands)						
<b>December 31, 2022</b>						
Securities borrowed <sup>(1)</sup>	\$ 62,063	\$ —	\$ 62,063	\$ (62,058)	\$ —	\$ 5
Derivatives	24,712	—	24,712	—	(8,361)	16,351
Long exchange-traded options <sup>(1)</sup>	—	—	—	—	—	—
<b>December 31, 2021</b>						
Securities borrowed	\$ 19,899	\$ —	\$ 19,899	\$ (18,327)	\$ —	\$ 1,572
Derivatives	15,422	—	15,422	—	(2,872)	12,550
Long exchange-traded options	1,893	—	1,893	—	—	1,893

Offsetting of liabilities as of December 31, 2022 and 2021 was as follows:

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Financial Condition	Net Amounts of Liabilities Presented in the Statement of Financial Condition	Financial Instruments Collateral	Cash Collateral Pledged	Net Amount
(in thousands)						
<b>December 31, 2022</b>						
Securities loaned <sup>(1)</sup>	\$ 272,580	\$ —	\$ 272,580	\$ (267,053)	—	\$ 5,527
Derivatives	13,712	—	13,712	—	(4,158)	9,554
Short exchange-traded options <sup>(1)</sup>	—	—	—	—	—	—
<b>December 31, 2021</b>						
Securities loaned	\$ 23,911	\$ —	\$ 23,911	\$ (23,373)	\$ —	\$ 538
Derivatives	16,923	—	16,923	—	(5,572)	11,351
Short exchange-traded options	2,774	—	2,774	—	—	2,774

<sup>(1)</sup> Certain amounts have been classified as held for sale on the consolidated statement of financial position as of December 31, 2022. For further discussion, see Note 24 Acquisitions and Divestitures.

## Part II

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

## 9. Fair Value

See *Note 15, Consolidated Company-Sponsored Investment Funds*, for disclosure of fair value of our consolidated company-sponsored investment funds.

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, 2022 and 2021 was as follows (in thousands):

	Level 1	Level 2	Level 3	NAV Expedient <sup>(2)</sup>	Other	Total
<b>December 31, 2022<sup>(1)</sup>:</b>						
Money markets	\$ 95,521	\$ —	\$ —	\$ —	\$ —	\$ 95,521
Securities segregated (U.S. Treasury Bills)	—	1,521,705	—	—	—	1,521,705
Derivatives	1,768	22,944	—	—	—	24,712
Investments:						
Equity securities	129,655	27,799	129	1,484	—	159,067
Limited partnership hedge funds <sup>(3)</sup>	—	—	—	—	42,526	42,526
Time deposits <sup>(4)</sup>	—	—	—	—	7,750	7,750
Other investments	6,689	—	—	—	1,486	8,175
Total investments	136,344	27,799	129	1,484	51,762	217,518
<b>Total assets measured at fair value</b>	<b>\$ 233,633</b>	<b>\$ 1,572,448</b>	<b>\$ 129</b>	<b>\$ 1,484</b>	<b>\$ 51,762</b>	<b>\$ 1,859,456</b>
Derivatives	162	13,550	—	—	—	13,712
Contingent payment arrangements	—	—	247,309	—	—	247,309
<b>Total liabilities measured at fair value</b>	<b>\$ 162</b>	<b>\$ 13,550</b>	<b>\$ 247,309</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 261,021</b>
<b>December 31, 2021:</b>						
Money markets	\$ 151,156	\$ —	\$ —	\$ —	\$ —	\$ 151,156
Securities segregated (U.S. Treasury Bills)	—	1,503,828	—	—	—	1,503,828
Derivatives	392	15,030	—	—	—	15,422
Investments:						
Equity securities	144,917	39,284	126	145	—	184,472
Long exchange-traded options	1,893	—	—	—	—	1,893
Limited partnership hedge funds <sup>(3)</sup>	—	—	—	—	50,920	50,920
Time deposits <sup>(4)</sup>	—	—	—	—	21,024	21,024
Other investments	9,094	—	—	—	6,015	15,109
Total investments	155,904	39,284	126	145	77,959	273,418
<b>Total assets measured at fair value</b>	<b>\$ 307,452</b>	<b>\$ 1,558,142</b>	<b>\$ 126</b>	<b>\$ 145</b>	<b>\$ 77,959</b>	<b>\$ 1,943,824</b>
Securities sold not yet purchased:						
Short equities – corporate	\$ 1,054	\$ —	\$ —	\$ —	\$ —	\$ 1,054
Short exchange-traded options	2,774	—	—	—	—	2,774
Derivatives	1,186	15,737	—	—	—	16,923
Contingent payment arrangements	—	—	38,260	—	—	38,260
<b>Total liabilities measured at fair value</b>	<b>\$ 5,014</b>	<b>\$ 15,737</b>	<b>\$ 38,260</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 59,011</b>

<sup>(1)</sup> Certain amounts have been classified as held for sale on the consolidated statement of financial position as of December 31, 2022. For further discussion, see *Note 24 Acquisitions and Divestitures*.

<sup>(2)</sup> Investments measured at fair value using NAV (or its equivalent) as a practical expedient.

<sup>(3)</sup> Investments in equity method investees that are not measured at fair value in accordance with GAAP.

<sup>(4)</sup> Investments carried at amortized cost that are not measured at fair value in accordance with GAAP.

## Part II

Other investments included in Level 1 of the fair value hierarchy include our investment in a mutual fund measured at fair value (\$6.7 million and \$9.1 million as of December 31, 2022 and 2021, respectively). Other investments not measured at fair value include (i) investments in start-up companies that do not have a readily available fair value (these investments were \$0.3 million as of December 31, 2022 and 2021), (ii) investments in equity method investees that are not measured at fair value in accordance with GAAP (during the third quarter of 2022, we sold this investment and the balance was reduced to zero, as compared to \$2.9 million as of December 31, 2021), and (iii) broker-dealer exchange memberships that are not measured at fair value in accordance with GAAP (\$1.2 million and \$2.8 million as of December 31, 2022 and 2021, respectively).

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 securities:** Our equity securities consist principally of company-sponsored mutual funds with NAVs and various separately managed portfolios consisting primarily of equity and fixed income mutual funds 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 also hold currency forward contracts, interest rate swaps, credit default swaps, option swaps and total return swaps with counterparties that are valued based on observable inputs from recognized pricing vendors, which are included in Level 2 of the valuation hierarchy.
- **Options:** We hold exchange-traded options that are included in Level 1 of the valuation hierarchy.
- **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. As of December 31, 2022 these securities have been classified as held for sale on the consolidated statement of financial position.
- **Contingent payment arrangements:** Contingent payment arrangements relate to contingent payment liabilities associated with various acquisitions. 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 unobservable market data inputs, which are included in Level 3 of the valuation hierarchy.

During the years ended December 31, 2022 and 2021, there were no transfers between Level 2 and Level 3 securities.

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

	December 31	
	2022	2021
	(in thousands)	
Balance as of beginning of period	\$ 126	\$ 125
Purchases	—	—
Sales	—	—
Realized gains (losses), net	—	—
Unrealized gains (losses), net	3	1
<b>Balance as of end of period</b>	<b>\$ 129</b>	<b>\$ 126</b>

Realized and unrealized gains and losses on Level 3 financial instruments are recorded in investment gains and losses in the consolidated statements of income.

Our acquisitions may include contingent consideration arrangements as part of the purchase price. 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	
	2022	2021
	(in thousands)	
Balance as of beginning of period	\$ 38,260	\$ 27,750
Addition	231,385	7,800
Accretion	6,563	3,310
Changes in estimates	—	(600)
Held for sale reclassification	(28,899)	—
<b>Balance as of end of period</b>	<b>\$ 247,309</b>	<b>\$ 38,260</b>

In the third quarter of 2022, we acquired CarVal and recorded a contingent consideration liability of \$228.9 million (see *Note 24 Acquisitions and Divestitures*). The liability, ranging from zero to \$650.0 million, is based on CarVal achieving certain performance objectives over a six-year period ending December 31, 2027. The liability was valued using a forecast of future cash flows attributable to the performance objectives that are discounted to present value using a risk-adjusted discount rate. The expected revenue growth rates range from 3.9% to 31.5%, with a weighted average of 14.1%, calculated using cumulative revenues and range of revenue growth rates. The discount rates range from 4.1% to 4.6%, with a weighted average of 4.2%, calculated using total contingent liabilities and range of discount rates.

As of December 31, 2022, including the CarVal acquisition, the expected revenue growth rates range from 2.0% to 83.9%, with a weighted average of 11.5%, calculated using cumulative revenues and range of revenue growth rates (excluding revenue growth from additional AUM contributed in year of acquisition). The discount rates ranged from 1.9% to 10.4%, with a weighted average of 4.5%, calculated using total contingent liabilities and range of discount rates. As of December 31, 2021, the expected revenue growth rates range from 2.0% to 83.9%, with a weighted average of 11.9%, calculated using cumulative revenues and range of revenue growth rates (excluding revenue growth from additional AUM contributed in year of acquisition). The discount rates ranged from 1.9% to 10.4%, with a weighted average of 7.0%, calculated using total contingent liabilities and range of discount rates.

## 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, 2022 or 2021.

## 10. Furniture, Equipment and Leasehold Improvements, Net

Furniture, equipment and leasehold improvements, net consist of:

	Years Ended December 31	
	2022	2021
	(in thousands)	
Furniture and equipment	\$ 605,567	\$ 584,161
Leasehold improvements	323,982	301,036
<b>Total</b>	<b>929,549</b>	<b>885,197</b>
Less: Accumulated depreciation and amortization	(740,291)	(716,022)
<b>Furniture, equipment and leasehold improvements, net</b>	<b>\$ 189,258</b>	<b>\$ 169,175</b>

Depreciation and amortization expense on furniture, equipment and leasehold improvements were \$39.7 million, \$38.8 million and \$39.2 million for the years ended December 31, 2022, 2021 and 2020, respectively.

## Part II

### 11. Deferred Sales Commissions, Net

The components of deferred sales commissions, net for the years ended December 31, 2022 and 2021 were as follows (excluding amounts related to fully amortized deferred sales commissions):

	Years Ended December 31	
	2022	2021
	(in thousands)	
Carrying amount of deferred sales commissions	\$ 172,181	\$ 177,233
Less: Accumulated amortization	(66,184)	(53,976)
Cumulative CDSC received	(53,747)	(48,358)
<b>Deferred sales commissions, net</b>	<b>\$ 52,250</b>	<b>\$ 74,899</b>

Amortization expense was \$34.8 million, \$34.4 million and \$27.4 million for the years ended December 31, 2022, 2021 and 2020, respectively. Estimated future amortization expense related to the December 31, 2022 net asset balance, assuming no additional CDSC is received in future periods, is as follows (in thousands):

2023	\$ 28,683
2024	17,848
2025	5,309
2026	410
<b>Total</b>	<b>\$ 52,250</b>

### 12. Debt

#### Credit Facility

AB has an \$800.0 million committed, unsecured senior revolving credit facility (the "**Credit Facility**") with a group of commercial banks and other lenders, which matures on October 13, 2026. The Credit Facility provides for possible increases in the principal amount by up to an aggregate incremental amount of \$200.0 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 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, 2022, 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 a 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.

As of December 31, 2022 and 2021, we had no amounts outstanding under the Credit Facility. During 2022 and 2021, we did not draw upon the Credit Facility.

#### EQH Facility

AB also has a \$900.0 million committed, unsecured senior credit facility ("**EQH Facility**") with EQH. The EQH Facility matures on November 4, 2024 and is available for AB's general business purposes. Borrowings under the EQH Facility generally bear interest at a rate per annum based on prevailing overnight commercial paper rates.

The EQH Facility contains affirmative, negative and financial covenants which are substantially similar to those in AB's committed bank facilities. The EQH Facility also includes customary events of default substantially similar to those in AB's committed bank facilities, including provisions under which, upon the occurrence of an event of default, all outstanding loans may be accelerated and/or the lender's commitment may be terminated.

Amounts under the EQH Facility may be borrowed, repaid and re-borrowed by us from time to time until the maturity of the facility. AB or EQH may reduce or terminate the commitment at any time without penalty upon proper notice. EQH also may terminate the facility immediately upon a change of control of our general partner.

As of December 31, 2022 and 2021, AB had \$900.0 million and \$755.0 million outstanding under the EQH Facility with interest rates of approximately 4.3% and 0.2%, respectively. Average daily borrowings on the EQH Facility during 2022 and 2021 were \$655.2 million and \$404.6 million, respectively, with weighted average interest rates of approximately 1.7% and 0.2%, respectively.

#### **EQH Uncommitted Facility**

In addition to the EQH Facility, AB has a \$300.0 million uncommitted, unsecured senior credit facility ("**EQH Uncommitted Facility**") with EQH. The EQH Uncommitted Facility matures on September 1, 2024 and is available for AB's general business purposes. Borrowings under the EQH Unsecured Facility generally bear interest at a rate per annum based on prevailing overnight commercial paper rates. The EQH Uncommitted Facility contains affirmative, negative and financial covenants which are substantially similar to those in the EQH Facility. As of December 31, 2022, we had \$90.0 million outstanding under the EQH Uncommitted Facility with an interest rate of approximately 4.3%. Average daily borrowings on the EQH Facility during 2022 were \$0.7 million with a weighted average interest rate of approximately 4.3%. During 2021, we did not draw on the facility.

#### **Commercial Paper**

As of both December 31, 2022 and 2021, we had no commercial paper outstanding. 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 2022 and 2021 were \$189.9 million and \$157.0 million, respectively, with weighted average interest rates of approximately 1.5% and 0.2%, respectively.

#### **Revolving Credit Facility**

AB had a \$200.0 million committed, unsecured senior revolving credit facility (the "**Revolver**") with a leading international bank, which matured on November 16, 2021. Average daily borrowings under the Revolver for 2021 were \$13.3 million with a weighted average interest rate of approximately 1.1%.

#### **SCB Lines of Credit**

SCB LLC currently has five uncommitted lines of credit with five financial institutions. Four of these lines of credit permit us to borrow up to an aggregate of approximately \$315.0 million, with AB named as an additional borrower, while the other line has no stated limit. AB has agreed to guarantee the obligations on SCB LLC under these lines of credit. As of December 31, 2022 and 2021, SCB LLC had no outstanding balance on these lines of credit. Average daily borrowings on the lines of credit during 2022 and 2021 were \$1.4 million and \$47 thousand, respectively, with weighted average interest rates of approximately 3.7% and 0.9%, respectively.

## **13. Leases**

We lease office space, office equipment and technology under various operating and financing leases. Our current leases have remaining lease terms of one year to 15 years, some of which include options to extend the leases for up to five years, and some of which include options to terminate the leases within one year. Since 2010, we have sub-leased over one million square feet of office space.

## Part II

Leases included in the consolidated statements of financial condition as of December 31, 2022 and 2021 were as follows:

	Classification	December 31, 2022	December 31, 2021
(in thousands)			
<b>Operating Leases</b>			
Operating lease right-of-use assets	Right-of-use assets	\$ 360,092	\$ 414,105
Operating lease liabilities	Lease liabilities	415,539	482,781
<b>Finance Leases</b>			
Property and equipment, gross	Right-of-use assets	18,116	10,947
Amortization of right-of-use assets	Right-of-use assets	(6,310)	(3,072)
Property and equipment, net		11,806	7,875
Finance lease liabilities	Lease liabilities	11,940	7,954

The components of lease expense included in the consolidated statements of income for the years ended December 31, 2022 and 2021 were as follows:

	Classification	Years Ended December 31	
		2022	2021
(in thousands)			
Operating lease cost	General and administrative	\$ 97,198	\$ 97,466
Financing lease cost:			
Amortization of right-of-use assets	General and administrative	3,860	2,355
Interest on lease liabilities	Interest expense	200	107
Total finance lease cost		4,060	2,462
Variable lease cost <sup>(1)</sup>	General and administrative	40,552	39,827
Sublease income	General and administrative	(34,420)	(37,317)
Net lease cost		\$ 107,390	\$ 102,438

<sup>(1)</sup> Variable lease expense includes operating expenses, real estate taxes and employee parking.

The sublease income represents all revenues received from sub-tenants. It is primarily fixed base rental payments combined with variable reimbursements such as operating expenses, real estate taxes and employee parking. The vast majority of sub-tenant income is derived from our New York metro sub-tenant agreements. Sub-tenant income related to base rent is recorded on a straight-line basis.

Maturities of lease liabilities are as follows:

Year ending December 31,	Operating Leases	Financing Leases	Total
(in thousands)			
2023	\$ 97,489	\$ 4,169	\$ 101,658
2024	104,596	3,258	107,854
2025	37,319	2,828	40,147
2026	35,808	1,810	37,618
2027	32,821	324	33,145
Thereafter	146,319	—	146,319
Total lease payments	454,352	12,389	\$ 466,741
Less interest	(38,813)	(449)	
Present value of lease liabilities	\$ 415,539	\$ 11,940	

We have signed a lease that commences in 2024, relating to approximately 166,000 square feet of space in New York City. Our estimated total base rent obligation (excluding taxes, operating expenses and utilities) over the 20-year lease term is approximately \$393.0 million.

<b>Lease term and discount rate:</b>	
Weighted average remaining lease term (years):	
Operating leases	7.35
Finance leases	3.47
<b>Weighted average discount rate:</b>	
Operating leases	2.69 %
Finance leases	2.10 %

Supplemental non-cash activity related to leases are as follows:

	Years Ended December 31	
	2022	2021
	(in thousands)	
Right-of-use assets obtained in exchange for lease obligations <sup>(1)</sup> :		
Operating leases	\$ 38,875	\$ 82,379
Finance leases	7,791	7,782

<sup>(1)</sup> Represents non-cash activity and, accordingly, is not reflected in the consolidated statements of cash flows.

## 14. Commitments and Contingencies

### Leases

As indicated in *Note 13*, we lease office space, office equipment and technology under various leasing arrangements. 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, 2022, are as follows:

	Payments	Sublease Receipts	Net Payments
	(in millions)		
2023	\$ 107.6	\$ (31.9)	\$ 75.7
2024	108.9	(30.9)	78.0
2025	58.3	—	58.3
2026	55.7	—	55.7
2027	51.3	—	51.3
2028 and thereafter	487.7	—	487.7
<b>Total future minimum payments</b>	<b>\$ 869.5</b>	<b>\$ (62.8)</b>	<b>\$ 806.7</b>

See *Note 13* for material lease commitments.

### Legal Proceedings

On December 14, 2022, four individual participants in the Profit Sharing Plan for Employees of AllianceBernstein L.P., (the "**Plan**") filed a class action complaint (the "**Complaint**") in the U.S. District Court for the Southern District of New York against AB, current and former members of the Compensation Committee, and the Investment and Administrative Committees under the Plan. Plaintiffs, who seek to represent a class of all participants in the Plan from December 14, 2016 to the present, allege that defendants violated their fiduciary duties and engaged in prohibited transactions under the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), by including proprietary collective investment trusts as investment options offered under the Plan. The Complaint seeks unspecified damages, disgorgement and other equitable relief. AB is prepared to defend itself vigorously against these claims. While the ultimate outcome of this matter is currently not determinable given the matter remains in its early stages, we do not believe this litigation will have a material adverse effect on our results of operations, financial condition or liquidity.

## Part II

AB may be involved in various other matters, including regulatory inquiries, administrative proceedings and litigation, some of which may allege significant damages. It is reasonably possible that we could incur losses pertaining to these other matters, but we cannot currently estimate any such losses. Management, after consultation with legal counsel, currently believes that the outcome of any other 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 other 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 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, 2022, we had funded \$22.4 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 \$27.3 million, as amended in 2020, in the Real Estate Fund II. As of December 31, 2022, we had funded \$21.6 million of this commitment.

## 15. Consolidated Company-Sponsored Investment Funds

We regularly provide seed capital to new company-sponsored investment funds. As such, we may consolidate or de-consolidate a variety of company-sponsored investment funds each quarter. Due to the similarity of risks related to our involvement with each company-sponsored investment fund, disclosures required under the VIE model are aggregated, such as disclosures regarding the carrying amount and classification of assets.

We are not required to provide financial support to company-sponsored investment funds and only the assets of such funds are available to settle each fund's own liabilities. Our exposure to loss regarding consolidated company-sponsored investment funds is limited to our investment in, and our management fee earned from, such funds. Equity and debt holders of such funds have no recourse to AB's assets or to the general credit of AB.

The balances of consolidated VIEs included in our consolidated statements of financial condition were as follows:

	December 31, 2022	December 31, 2021
	(in thousands)	
Cash and cash equivalents	\$ 19,751	\$ 90,326
Investments	516,536	613,025
Other assets	44,424	30,461
<b>Total assets</b>	<b>\$ 580,711</b>	<b>\$ 733,812</b>
Liabilities	\$ 55,529	\$ 87,000
Redeemable non-controlling interest	368,656	421,169
Partners' capital attributable to AB Unitholders	156,526	225,643
<b>Total liabilities, redeemable non-controlling interest and partners' capital</b>	<b>\$ 580,711</b>	<b>\$ 733,812</b>

During 2022, we deconsolidated five funds in which we had seed investments totaling approximately \$61.8 million as of December 31, 2021 due to no longer having a controlling financial interest.

## Fair Value

Cash and cash equivalents include cash on hand, demand deposits, 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.

Valuation of consolidated company-sponsored investment funds' financial instruments by pricing observability levels as of December 31, 2022 and 2021 was as follows (in thousands):

	Level 1	Level 2	Level 3	Total
<b>December 31, 2022:</b>				
Investments	\$ 129,706	\$ 386,830	\$ —	\$ 516,536
Derivatives	1,529	6,023	—	7,552
<b>Total assets measured at fair value</b>	<b>\$ 131,235</b>	<b>\$ 392,853</b>	<b>\$ —</b>	<b>\$ 524,088</b>
Derivatives	\$ 14,932	\$ 6,608	\$ —	\$ 21,540
<b>Total liabilities measured at fair value</b>	<b>\$ 14,932</b>	<b>\$ 6,608</b>	<b>\$ —</b>	<b>\$ 21,540</b>
<b>December 31, 2021:</b>				
Investments	\$ 165,415	\$ 444,253	\$ 3,357	\$ 613,025
Derivatives	622	5,265	—	5,887
<b>Total assets measured at fair value</b>	<b>\$ 166,037</b>	<b>\$ 449,518</b>	<b>\$ 3,357</b>	<b>\$ 618,912</b>
Derivatives	\$ 16,291	\$ 2,051	\$ —	\$ 18,342
<b>Total liabilities measured at fair value</b>	<b>\$ 16,291</b>	<b>\$ 2,051</b>	<b>\$ —</b>	<b>\$ 18,342</b>

See Note 9 for 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.

The change in carrying value associated with Level 3 financial instruments carried at fair value within consolidated company-sponsored investment funds was as follows:

	December 31,	
	2022	2021
	(in thousands)	
Balance as of beginning of period	\$ 3,357	\$ 619
Deconsolidated funds	(3,351)	(717)
Transfers (out)	(6)	(205)
Purchases	248	3,675
Sales	(248)	(7)
Realized gains, net	—	3
Unrealized (losses), net	—	(11)
<b>Balance as of end of period</b>	<b>\$ —</b>	<b>\$ 3,357</b>

The Level 3 securities primarily consist of corporate bonds that are vendor priced with no ratings available, bank loans, non-agency collateralized mortgage obligations and asset-backed securities.

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.

## Part II

### Derivative Instruments

As of December 31, 2022 and 2021, the VIEs held \$14.0 million and \$12.5 million (net), respectively, of futures, forwards, options and swaps within their portfolios. For the years ended December 31, 2022 and 2021, we recognized \$9.4 million and \$0.7 million of losses, respectively, on these derivatives. These gains and losses are recognized in investment gains (losses) in the consolidated statements of income.

As of December 31, 2022 and 2021, the VIEs held \$2.7 million and \$0.9 million, respectively, of cash collateral payable to trade counterparties. This obligation to return cash is reported in the liabilities of consolidated company-sponsored investment funds in our consolidated statements of financial condition.

As of December 31, 2022 and 2021, the VIEs delivered \$5.4 million and \$1.8 million, respectively, of cash collateral into brokerage accounts. The VIEs report this cash collateral in the consolidated company-sponsored investment funds cash and cash equivalents in our consolidated statements of financial condition.

### Offsetting Assets and Liabilities

Offsetting of derivative assets of consolidated company-sponsored investment funds as of December 31, 2022 and 2021 was as follows:

	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Financial Condition	Net Amounts of Assets Presented in the Statement of Financial Condition	Financial Instruments	Cash Collateral Received	Net Amount
(in thousands)						
<b>December 31, 2022:</b>						
Derivatives	\$ 7,552	\$ —	\$ 7,552	\$ —	\$ (2,731)	\$ 4,821
<b>December 31, 2021:</b>						
Derivatives	\$ 5,887	\$ —	\$ 5,887	\$ —	\$ (904)	\$ 4,983

Offsetting of derivative liabilities of consolidated company-sponsored investment funds as of December 31, 2022 and 2021 was as follows:

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Financial Condition	Net Amounts of Liabilities Presented in the Statement of Financial Condition	Financial Instruments	Cash Collateral Pledged	Net Amount
(in thousands)						
<b>December 31, 2022:</b>						
Derivatives	\$ 21,540	\$ —	\$ 21,540	\$ —	\$ (5,444)	\$ 16,096
<b>December 31, 2021:</b>						
Derivatives	\$ 18,342	\$ —	\$ 18,342	\$ —	\$ (1,824)	\$ 16,518

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

### Non-Consolidated VIEs

As of December 31, 2022, the net assets of company-sponsored investment products that are non-consolidated VIEs are approximately \$46.4 billion; our maximum risk of loss is our investment of \$5.7 million in these VIEs and our advisory fees receivable from these VIEs are \$54.2 million. As of December 31, 2021, the net assets of company-sponsored investment products that were non-consolidated VIEs was approximately \$68.9 billion; our maximum risk of loss was our investment of \$8.8 million in these VIEs and our advisory fees receivable from these VIEs were \$75.7 million.

## 16. 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, 2022, SCB LLC had net capital of \$323.1 million, which was \$284.9 million in excess of the minimum net capital requirement of \$38.2 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, 2022, it was subject to financial resources requirements of \$45.4 million imposed by the Financial Conduct Authority of the United Kingdom and had aggregate regulatory financial resources of \$51.0 million, an excess of \$5.6 million over the required level.

AllianceBernstein Investments, Inc. ("ABI"), 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, 2022, ABI had net capital of \$53.5 million, which was \$53.2 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, 2022, each of our subsidiaries subject to a minimum net capital requirement satisfied the applicable requirement.

## 17. 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 by our maintaining a diversified portfolio of securities in the accounts, 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 generally is two business days after trade date for our U.K. and U.S. operations. We are exposed to risk of loss on these transactions in the event of the customer'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, futures, forwards, options and swap 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, our clients and we may be exposed to loss. The risk of default depends on the creditworthiness of the counterparty. 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.

## Part II

We enter into various futures, forwards, options 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.

## 18. 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 were \$17.5 million, \$16.5 million and \$15.6 million for 2022, 2021 and 2020, 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 \$10.2 million, \$9.8 million and \$8.4 million in 2022, 2021 and 2020, 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 ERISA 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 2022. We do not currently anticipate that we will contribute to the Retirement Plan during 2023. 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	
	2022	2021
	(in thousands)	
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 141,862	\$ 151,124
Interest cost	3,958	3,794
Plan settlements	(4,524)	(5,803)
Actuarial (gain)	(37,839)	(4,447)
Benefits paid	(2,977)	(2,806)
Projected benefit obligation at end of year	100,480	141,862
Change in plan assets:		
Plan assets at fair value at beginning of year	130,939	125,022
Actual return on plan assets	(27,448)	14,526
Employer contribution	—	—
Plan settlements	(4,524)	(5,803)
Benefits paid	(2,977)	(2,806)
Plan assets at fair value at end of year	95,990	130,939
<b>Funded status</b>	<b>\$ (4,490)</b>	<b>\$ (10,923)</b>

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 2022, 2021 and 2020 were as follows:

	2022	2021	2020
	(in thousands)		
Unrecognized net gain (loss) from experience different from that assumed and effects of changes and assumptions	\$ 6,519	\$ 15,858	\$ (4,089)
Prior service cost	24	24	24
	6,543	15,882	(4,065)
Income tax (expense)	(33)	(87)	(216)
<b>Other comprehensive income (loss)</b>	<b>\$ 6,510</b>	<b>\$ 15,795</b>	<b>\$ (4,281)</b>

The gain of \$6.5 million recognized in 2022 was primarily due to changes in the discount rate and lump sum interest rates of (\$38.7 million), settlement loss recognized of (\$1.7 million) and the recognized actuarial loss of (\$1.0 million), offset by actual earnings less than expected earnings on plan assets (\$34.0 million), changes in the census data (\$0.5 million) and changes in adjustments for participants who received their pension as a lump sum (\$0.4 million).

The gain of \$15.8 million recognized in 2021 was primarily due to actual earnings exceeding expected earnings on plan assets (\$8.2 million), changes in the discount rate and lump sum interest rates of (\$5.6 million), settlement loss recognized of (\$2.0 million) and the recognized actuarial loss of (\$1.5 million), offset by changes in the census data (\$1.0 million) and changes in the mortality assumption (\$0.2 million).

The loss of \$4.3 million recognized in 2020 primarily was due to changes in the discount rate and lump sum interest rates (\$16.7 million), offset by actual earnings exceeding expected earnings on plan assets (\$10.4 million), changes in the mortality assumption (\$1.0 million), the recognized actuarial loss (\$1.4 million) and changes in census data (\$0.4 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 is not necessary. The reconciliation of the 2022 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 gain	\$ 6,519	\$ 107	\$ 296	\$ 6,922
Amortization of prior service cost	24	—	—	24
Changes in employee benefit related items	6,543	107	296	6,946
Income tax (expense)	(33)	—	(62)	(95)
<b>Employee benefit related items, net of tax</b>	<b>\$ 6,510</b>	<b>\$ 107</b>	<b>\$ 234</b>	<b>\$ 6,851</b>

The amounts included in accumulated other comprehensive loss for the Retirement Plan as of December 31, 2022 and 2021 were as follows:

	2022	2021
	(in thousands)	
Unrecognized net loss from experience different from that assumed and effects of changes and assumptions	\$ (37,249)	\$ (43,768)
Prior service cost	(659)	(683)
	(37,908)	(44,451)
Income tax benefit	177	210
<b>Accumulated other comprehensive loss</b>	<b>\$ (37,731)</b>	<b>\$ (44,241)</b>

The amortization period over which we are amortizing the loss for the Retirement Plan from accumulated other comprehensive income is 27.9 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 \$24,000 and \$1.0 million, respectively.

The accumulated benefit obligation for the plan was \$100.5 million and \$141.9 million as of December 31, 2022 and 2021, respectively.

## Part II

The discount rates used to determine benefit obligations as of December 31, 2022 and 2021 (measurement dates) were 5.50% and 2.90%, respectively.

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

2023	\$	10,121
2024		6,767
2025		8,058
2026		7,865
2027		8,743
2028 - 2032		38,404

Net expense under the Retirement Plan consisted of:

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
Interest cost on projected benefit obligations	\$ 3,958	\$ 3,794	\$ 4,443
Expected return on plan assets	(6,591)	(6,351)	(6,084)
Amortization of prior service cost	24	24	24
Settlement loss recognized	1,678	2,024	—
Recognized actuarial loss	1,042	1,447	1,386
<b>Net pension expense</b>	<b>\$ 111</b>	<b>\$ 938</b>	<b>\$ (231)</b>

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

	Years Ended December 31		
	2022	2021	2020
Discount rate on benefit obligations	2.90 %	2.55 %	3.35 %
Expected long-term rate of return on plan assets	5.25 %	5.25 %	5.50 %

In developing the expected long-term rate of return on plan assets of 5.25%, 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, 2022, the mortality projection assumption used the generational MP-2021 improvement scale, which is consistent with the improvement scale used in 2021. Prior to 2021, mortality was projected generationally using the MP-2020 improvements scale. The base mortality assumption used is the Society of Actuaries Pri-2012 base mortality table for private sector plans, with a white-collar adjustment, using the contingent annuitant table for beneficiaries of deceased participants.

The Internal Revenue Service ("IRS") recently updated the mortality tables used to determine lump sums. For fiscal year-end 2022, we reflected the most recently published IRS table for lump sums assumed to be paid in 2023. We projected future mortality for lump sums assumed to be paid after 2023 using the current base mortality tables (RP-2014 backed off to 2006) and projection scale of MP-2021.

The Retirement Plan's asset allocation percentages consisted of:

	Years Ended December 31	
	2022	2021
Equity	46 %	52 %
Debt securities	42	38
Other	12	10
<b>Total</b>	<b>100 %</b>	<b>100 %</b>

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 Retirement plan to meet future liabilities and obligations, while minimizing the need for additional contributions. The guidelines specify an allocation

weighting of 10% to 35% for liability hedging investments (target of 24%), 15% to 40% for return seeking investments (target of 27%), 5% to 35% for risk mitigating investments (target of 10%), 10% to 35% for diversifying investments (target of 21%) and 5% to 35% for dynamic asset allocation (target of 18%). Investments in mutual funds, hedge funds (and other alternative investments), and other commingled investment vehicles are permitted Investment Policy Statement. Investments are permitted in overlay portfolios (regulated mutual funds), which are designed to manage short-term portfolio risk and mitigate the effect of extreme outcomes by varying the asset allocation of a portfolio.

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, 2022 and 2021 was as follows (in thousands):

	Level 1	Level 2	Level 3	Total
<b>December 31, 2022</b>				
Cash	\$ 1,441	\$ —	\$ —	\$ 1,441
U.S. Treasury Strips	—	15,634	—	15,634
Fixed income mutual funds	2,149	—	—	2,149
Fixed income securities	—	22,478	—	22,478
Equity mutual funds	26,074	—	—	26,074
Equity securities	10,928	219	—	11,147
Total assets in the fair value hierarchy	40,592	38,331	—	78,923
Investments measured at net assets value	—	—	—	17,067
<b>Investments at fair value</b>	<b>\$ 40,592</b>	<b>\$ 38,331</b>	<b>\$ —</b>	<b>\$ 95,990</b>
	Level 1	Level 2	Level 3	Total
<b>December 31, 2021</b>				
Cash	\$ 47	\$ —	\$ —	\$ 47
U.S. Treasury Strips	—	32,355	—	32,355
Fixed income mutual funds	17,477	—	—	17,477
Equity mutual funds	43,786	—	—	43,786
Equity securities	14,801	—	—	14,801
Total assets in the fair value hierarchy	76,111	32,355	—	108,466
Investments measured at net assets value	—	—	—	22,473
<b>Investments at fair value</b>	<b>\$ 76,111</b>	<b>\$ 32,355</b>	<b>\$ —</b>	<b>\$ 130,939</b>

During 2022 and 2021, the Retirement Plan's investments include the following:

- U.S. Treasury strips, (zero-coupon bonds);
- one fixed income mutual fund in 2022, as compared to two fixed income mutual funds in 2021. The fund included in both 2022 and 2021 pursues an aggressive investment strategy involving a variety of asset classes. This fund seeks inflation protection from investments around the globe, both in developed and emerging market countries. The additional fund included in 2021 sought to generate income consistent with preservation of capital;
- six equity mutual funds in both 2022 and 2021, which focus on both U.S.-based and non-U.S.-based equity securities of various capitalization sizes ranging from small to large capitalization and diversified portfolios within those capitalization ranges;
- one asset allocation mutual fund, which seeks to moderate overall volatility and limit extreme outcomes in times of market stress, without sacrificing long-term growth potential. This fund continuously adjusts the mix of global equities, bonds and related "opportunistic" assets based on our view of prospective market conditions;
- one separately managed account, managed against the Bloomberg Long U.S. Corporate index. This portfolio invests in U.S. dollar denominated investment grade fixed income securities with at least 10 years to maturity;
- one alternative investment, securitized assets hedge fund with a focus on mortgage credit, principally through investment in Credit Risk Transfer Securities, residential mortgage-backed securities, commercial mortgage-backed securities and other asset-backed securities; and
- investments measured at net asset value, including two hedge funds in both 2022 and 2021; one fund is a long/short equity-focused multi-manager hedge fund investing across industries and geographies. The second fund seeks to provide attractive risk-adjusted returns over full market cycles with less volatility than that of broad equity markets by allocating all or substantially all of their assets among portfolio managers through portfolio funds that employ a broad range of investment strategies.

## Part II

# 19. 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 2022, 2021 and 2020 aggregating \$164.3 million, \$184.1 million and \$177.4 million, respectively. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2022, 2021 and 2020 were \$160.1 million, \$173.4 million and \$176.8 million, respectively.

Effective as of September 30, 2017, we established the AB 2017 Long Term Incentive Plan (“**2017 Plan**”), which was adopted at a special meeting of AB Holding Unitholders held on September 29, 2017. The following forms of awards may be granted to employees and Eligible Directors (directors who satisfy applicable independence standards) under the 2017 Plan: (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 2017 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 2017 Plan will expire on September 30, 2027, and no awards under the 2017 Plan will be made after that date. Under the 2017 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.

As of December 31, 2022, no options to buy AB Holding Units were outstanding and 29,795,964 AB Holding Units, net of withholding tax requirements, were subject to other AB Holding Unit awards made under the 2017 Plan or the AllianceBernstein 2010 Long Term Incentive Plan, as amended, an equity compensation plan with similar terms that was canceled on September 30, 2017. AB Holding Unit-based awards (including options) in respect of 30,204,036 AB Holding Units were available for grant under the 2017 Plan as of December 31, 2022.

As of December 31, 2021, no options to buy AB Holding Units had been granted and 28,109,084 AB Holding Units, net of withholding tax requirements, were subject to other AB Holding Unit awards made under the 2017 Plan or the AllianceBernstein 2010 Long Term Incentive Plan, as amended, an equity compensation plan with similar terms that was canceled on September 30, 2017. AB Holding Unit-based awards (including options) in respect of 31,890,916 AB Holding Units were available for grant under the 2017 Plan as of December 31, 2021.

## Option Awards

We did not grant any options to buy AB Holding Units during 2022, 2021 or 2020. Historically, options granted to employees generally were 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 were 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.

The option-related activity in our equity compensation plans during 2022 is as follows:

	Options to Buy AB Holding Units	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
<b>Outstanding as of December 31, 2021</b>	<b>5,774</b>	<b>\$ 20.12</b>	<b>0.33</b>	
Granted	—	—		
Exercised	(5,774)	20.12		
Forfeited	—	—		
Expired	—	—		
<b>Outstanding as of December 31, 2022</b>	<b>—</b>	<b>\$ —</b>	<b>—</b>	<b>\$ —</b>
<b>Exercisable as of December 31, 2022</b>	<b>—</b>	<b>\$ —</b>	<b>—</b>	<b>\$ —</b>
<b>Vested or expected to vest as of December 31, 2022</b>	<b>—</b>	<b>\$ —</b>	<b>—</b>	<b>\$ —</b>

The total intrinsic value of options exercised during 2022, 2021 or 2020 was \$0.2 million, \$2.2 million and \$32,368, 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 requisite service period. As we did not grant any option awards in 2022, 2021 or 2020, no compensation expense was recorded. As of December 31, 2022, there was no compensation expense related to unvested option grants not yet recognized in the consolidated statement of income.

## Restricted AB Holding Unit Awards

In 2022, 2021 and 2020, 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 Unit holders, subject to such restrictions on transfer as the Board may impose.

We award restricted AB Holding Units to Eligible Directors that vest ratably over three years (four years for awards granted in 2021 and previous years). We fully expensed these awards on each grant date, as there is no service requirement. Grant details related to these awards is as follows:

	2022	2021	2020
Restricted Units Awarded	30,870	35,358	50,232
Weighted Average Grant Date Fair Value	\$ 38.55	\$ 44.29	\$ 23.69
Compensation Expense (in millions)	\$ 1.2	\$ 1.6	\$ 1.2

On April 28, 2017, Seth Bernstein was appointed President and Chief Executive Officer. In connection with the commencement of his employment, Mr. Bernstein was granted restricted AB Holding Units; these Units were fully amortized as of December 31, 2021. Compensation expense related to Mr. Bernstein's restricted AB Holding Unit grant was \$0.3 million and \$0.9 million for the years ended December 31, 2021, and 2020, respectively.

Under the Incentive Compensation Program, we awarded 4.2 million restricted AB Holding Units in 2022 (which included 3.8 million restricted AB Holding Units in December for the 2022 year-end awards as well as 0.4 million additional restricted AB Holding Units granted earlier during the year relating to the 2021 year-end awards), with grant date fair values per restricted AB Holding Unit ranging between \$38.84 to \$50.94.

We awarded 3.5 million restricted AB Holding Units in 2021 (which included 3.3 million restricted AB Holding Units in December for the 2021 year-end awards as well as 0.2 million additional restricted AB Holding Units granted earlier during the year relating to the 2020 year-end awards), with grant date fair values per restricted AB Holding Unit ranging between \$32.10 to \$50.94.

## Part II

We awarded 5.3 million restricted AB Holding Units in 2020 (which included 5.0 million restricted AB Holding Units in December for the 2020 year-end awards as well as 0.3 million additional restricted AB Holding Units granted earlier during the year related to the 2019 year-end awards), with grant date fair values per restricted AB Holding Unit ranging between \$28.75 to \$32.10.

Restricted AB Holding Units awarded under the Incentive Compensation Program in 2020 and years prior generally vested in 25% increments on December 1<sup>st</sup> of each of the four years immediately following the year in which the award was granted. Awards granted in 2021 and subsequent years generally vest in 33.3% increments on December 1<sup>st</sup> of each of the three years immediately following the year in which the award is granted.

We also award restricted AB Holding Units in connection with certain employment and separation agreements, as well as relocation-related performance awards, with vesting schedules generally ranging between two and ten years. Grant details related to these awards is as follows:

	2022	2021	2020
	(in millions excluding share prices)		
Restricted Units Awarded	0.5	3.4	0.4
Grant Date Fair Value Range	\$34.86 - \$49.90	\$29.06 - \$53.86	\$18.80 - \$35.42
Compensation Expense	\$ 35.0	\$ 40.9	\$ 32.1

The fair value of the restricted AB Holding Units is amortized over the requisite service period as compensation expense. Changes in unvested restricted AB Holding Units during 2022 are as follows:

	AB Holding Units	Weighted Average Grant Date Fair Value per AB Holding Unit
<b>Unvested as of December 31, 2021</b>	<b>18,130,740</b>	<b>\$ 33.98</b>
Granted	4,709,600	40.31
Vested	(7,671,109)	32.10
Forfeited	(396,995)	36.15
<b>Unvested as of December 31, 2022</b>	<b>14,772,236</b>	<b>\$ 36.92</b>

The total grant date fair value of restricted AB Holding Units that vested was \$246.2 million, \$199.0 million and \$155.0 million during 2022, 2021 and 2020, respectively. As of December 31, 2022, the 14,772,236 unvested restricted AB Holding Units consist of 10,148,408 restricted AB Holding Units that do not have a service requirement and have been fully expensed on the grant date and 4,623,828 restricted AB Holding Units that have a service requirement and will be expensed over the required service period. As of December 31, 2022, there was \$114.0 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 6.1 years.

## 20. Units Outstanding

Changes in AB Units outstanding for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
<b>Outstanding as of January 1,</b>	<b>271,453,043</b>	<b>270,509,658</b>
Options exercised	5,774	143,211
Units issued <sup>(1)</sup>	17,326,222	3,917,437
Units retired <sup>(2)</sup>	(2,805,126)	(3,117,263)
<b>Outstanding as of December 31,</b>	<b>285,979,913</b>	<b>271,453,043</b>

<sup>(1)</sup> Includes 15,321,535 Units issued as a result of the CarVal acquisition.

<sup>(2)</sup> During 2022 and 2021, we purchased 2,500 and 5,400 AB Units, respectively, in private transactions and retired them.

## 21. 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 foreign 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 EQH and the General Partner; EQH and the General Partner approve only those transfers permitted pursuant to one or more of the safe harbors contained in the 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 distributions 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 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		
	2022	2021	2020
	(in thousands)		
Earnings before income taxes:			
United States	\$ 689,278	\$ 1,007,847	\$ 743,687
Foreign	125,818	208,615	163,749
<b>Total</b>	<b>\$ 815,096</b>	<b>\$ 1,216,462</b>	<b>\$ 907,436</b>
Income tax expense:			
Partnership UBT	\$ 5,996	\$ 6,951	\$ 3,356
Corporate subsidiaries:			
Federal	1,457	750	1,495
State and local	931	956	904
Foreign	34,327	58,080	44,086
Current tax expense	42,711	66,737	49,841
Deferred tax	(3,072)	(4,009)	(4,188)
<b>Income tax expense</b>	<b>\$ 39,639</b>	<b>\$ 62,728</b>	<b>\$ 45,653</b>

## Part II

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					
	2022		2021		2020	
	(in thousands)					
UBT statutory rate	\$ 32,604	4.0 %	\$ 48,659	4.0 %	\$ 36,297	4.0 %
Corporate subsidiaries' federal, state, and local	1,460	0.2	1,322	0.2	2,025	0.2
Foreign subsidiaries taxed at different rates	32,664	4.0	43,019	3.5	33,969	3.7
FIN 48 reserve (release)	—	—	—	—	(1,886)	(0.2)
UBT business allocation percentage rate change	(98)	—	23	—	8	—
Deferred tax and payable write-offs	1,089	0.1	1,003	0.1	(887)	(0.1)
Foreign outside basis difference	(1,535)	(0.2)	1,492	0.1	3	—
Amended 2017 return	—	—	—	—	(221)	—
Effect of ASC 740 adjustments, miscellaneous taxes, and other	5,366	0.7	1,799	0.1	2,654	0.3
Tax Credits	(5,275)	(0.6)	—	—	—	—
Income not taxable resulting from use of UBT business apportionment factors and effect of compensation charge	(26,636)	(3.3)	(34,589)	(2.8)	(26,309)	(2.9)
<b>Income tax expense and effective tax rate</b>	<b>\$ 39,639</b>	<b>4.9 %</b>	<b>\$ 62,728</b>	<b>5.2 %</b>	<b>\$ 45,653</b>	<b>5.0 %</b>

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 on its technical merits and their applicability to the facts and circumstances of the tax position. 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		
	2022	2021	2020
	(in thousands)		
<b>Balance as of beginning of period</b>	<b>\$ 2,838</b>	<b>\$ 2,838</b>	<b>\$ 5,706</b>
Additions for prior year tax positions	—	—	—
Reductions for prior year tax positions	—	—	—
Additions for current year tax positions	—	—	—
Reductions for current year tax positions	—	—	—
Reductions related to closed years/settlements with tax authorities	—	—	(2,868)
<b>Balance as of end of period</b>	<b>\$ 2,838</b>	<b>\$ 2,838</b>	<b>\$ 2,838</b>

The amount of unrecognized tax benefits as of December 31, 2022, 2021, and 2020, 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. There was no interest expense recorded in 2022 or 2021. The total amount of interest expense recorded in income tax expense (credit) during 2020 was \$(0.4) million. As of December 31, 2022 and 2021, there is no accrued interest recorded on the consolidated statements of financial condition. There were no penalties as of December 31, 2022, 2021 and 2020.

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 2018, except as set forth below.

During the fourth quarter of 2020, the City of New York notified us of an examination of AB's UBT returns for the years 2017 through 2019. The examination is ongoing and no provision with respect to this examination has been recorded.

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.

As of December 31, 2022, it is reasonably possible that \$2.8 million of our unrecognized tax benefits will change within the next 12 months due to the expiration of the statute of limitations.

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:

	Years Ended December 31	
	2022	2021
	(in thousands)	
Deferred tax asset:		
Differences between book and tax basis:		
Benefits from net operating loss carryforwards	\$ 4,918	\$ 7,833
Long-term incentive compensation plans	17,524	24,468
Investment basis differences	10,286	5,523
Depreciation and amortization	3,071	3,942
Lease liability	4,911	5,327
Investment in foreign subsidiaries	26,479	—
Tax credit carryforward	6,171	—
Other, primarily accrued expenses deductible when paid	6,860	4,917
	80,220	52,010
Less: valuation allowance	(38,110)	(3,828)
Deferred tax asset	42,110	48,182
Deferred tax liability:		
Differences between book and tax basis:		
Intangible assets	10,190	7,622
Investment in foreign subsidiaries	—	4,084
Right-of-use asset	4,191	4,490
Other	2,808	2,075
Deferred tax liability	17,189	18,271
<b>Net deferred tax asset</b>	<b>\$ 24,921</b>	<b>\$ 29,911</b>

The valuation allowance of \$38.1 million was established as of December 31, 2022 primarily due to significant negative evidence that capital losses anticipated in the held for sale foreign subsidiaries will not be utilized, given the nature of income expected to be incurred by the applicable subsidiaries. The valuation allowance of \$3.8 million was established as of December 31, 2021 primarily due to significant negative evidence that net operating loss ("NOL") carryforwards will not be utilized, given the future losses expected to be incurred by the applicable subsidiaries. We had NOL carryforwards at December 31, 2022 and 2021 of approximately \$30.3 million and \$55.1 million, respectively, in certain foreign locations with a five-year expiration period.

The deferred tax asset is included in other assets in our consolidated statement of financial condition. Management believes there will be sufficient future taxable income to realize the tax benefits related to the remaining net deferred tax assets recognized that are not subject to valuation allowances.

The company provides income taxes on the unremitted earnings of non-U.S. corporate subsidiaries except to the extent that such earnings are indefinitely reinvested outside the United States. As of December 31, 2022, \$29.6 million of undistributed earnings of non-U.S. corporate subsidiaries were indefinitely invested outside the U.S. At existing applicable income tax rates, additional taxes of approximately \$6.2 million would need to be paid if such earnings are remitted.

## Part II

## 22. 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, 2022, 2021 and 2020 were as follows:

### Services

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

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
Institutions	\$ 659,983	\$ 587,017	\$ 512,914
Retail	2,000,908	2,223,829	1,811,948
Private Wealth Management	1,004,003	1,126,142	882,672
Bernstein Research Services	416,273	452,017	459,744
Other	39,561	56,283	56,908
Total revenues	4,120,728	4,445,288	3,724,186
Less: Interest expense	66,438	3,686	15,650
<b>Net revenues</b>	<b>\$ 4,054,290</b>	<b>\$ 4,441,602</b>	<b>\$ 3,708,536</b>

No individual fund accounted for more than 10% of our investment advisory and service fees and our net revenues during 2022, 2021 and 2020.

### 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:

	2022	2021	2020
	(in thousands)		
Net revenues:			
United States	\$ 2,381,958	\$ 2,558,592	\$ 2,106,636
International	1,672,332	1,883,010	1,601,900
<b>Total <sup>(1)</sup></b>	<b>\$ 4,054,290</b>	<b>\$ 4,441,602</b>	<b>\$ 3,708,536</b>
Long-lived assets:			
United States	\$ 4,067,991	\$ 3,331,572	
International	72,466	45,796	
<b>Total</b>	<b>\$ 4,140,457</b>	<b>\$ 3,377,368</b>	

<sup>(1)</sup> We have recast prior period presentation of geographic revenues to align with current period presentation by legal entity domicile as compared to historical presentation method by client domicile.

### Major Customers

No single customer or individual client accounted for more than 10% of our total revenues for the years ended December 31, 2022, 2021 and 2020.

## 23. 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		
	2022	2021	2020
	(in thousands)		
Investment advisory and services fees	\$ 1,452,885	\$ 1,644,757	\$ 1,368,484
Distribution revenues	590,580	637,076	516,336
Shareholder servicing fees	79,167	85,745	79,394
Other revenues	8,366	8,364	8,314
Bernstein Research Services	—	2	3
	<b>\$ 2,130,998</b>	<b>\$ 2,375,944</b>	<b>\$ 1,972,531</b>

### EQH and its Subsidiaries

We provide investment management and certain administration services to EQH and its subsidiaries. In addition, EQH and its subsidiaries distribute company-sponsored mutual funds, for which they receive commissions and distribution payments. Also, we are covered by various insurance policies maintained by EQH and we pay fees for technology and other services provided by EQH and its subsidiaries. Additionally, see *Note 12, Debt*, for disclosures related to our credit facility with EQH.

Aggregate amounts included in the consolidated financial statements for transactions with EQH and its subsidiaries, as of and for the years ended December 31, are as follows:

	EQH		
	2022	2021	2020
	(in thousands)		
Revenues:			
Investment advisory and services fees	\$ 148,377	\$ 133,074	\$ 115,901
Other revenues	688	675	1,330
	<b>\$ 149,065</b>	<b>\$ 133,749</b>	<b>\$ 117,231</b>
Expenses:			
Commissions and distribution payments to financial intermediaries	\$ 3,897	\$ 4,550	\$ 3,952
General and administrative	2,882	2,373	2,281
Other	14,069	3,953	5,463
	<b>\$ 20,848</b>	<b>\$ 10,876</b>	<b>\$ 11,696</b>
Balance Sheet:			
Institutional investment advisory and services fees receivable	\$ 7,732	\$ 8,607	
Prepaid expenses	385	545	
Other due to EQH and its subsidiaries	(4,206)	(1,534)	
EQH Facility	(990,000)	(755,000)	
	<b>\$ (986,089)</b>	<b>\$ (747,382)</b>	

## Part II

### 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, 2022 and 2021 was \$7.7 million and \$11.2 million, respectively.

## 24. Acquisitions and Divestitures

### Acquisitions

On July 1, 2022, AB Holding acquired a 100% ownership interest in CarVal, a global private alternatives investment manager primarily focused on opportunistic and distressed credit, renewable energy, infrastructure, specialty finance and transportation investments that, as of the acquisition date, constituted approximately \$12.2 billion in AUM. Also, on July 1, 2022, immediately following the acquisition of CarVal, AB Holding contributed 100% of its equity interests in CarVal to AB in exchange for AB Units. Post-acquisition, CarVal was rebranded AB CarVal Investors (“**AB CarVal**”).

On the acquisition date, AB Holding issued approximately 3.2 million AB Holding Units (with a fair value of \$132.8 million) with the remaining 12.1 million Units (with a fair value of \$456.4 million) issued on November 1, 2022. The fair value of the units issued on November 1, 2022 reflect final adjustments to the estimated unit issuance recorded as of acquisition close on July 1, 2022 and as disclosed in the third quarter 2022 Form 10-Q.

AB received a 100% equity interest in CarVal from AB Holding and issued approximately 15.3 million AB Units (with a fair value of \$589.2 million). AB also recorded a contingent consideration payable of \$228.9 million (to be paid predominantly in AB Units) based on AB CarVal achieving certain performance objectives over a six-year period ending December 31, 2027. The AB Units, *as discussed above*, were issued to AB Holding; AB Holding then issued the equal amount of AB Holding Units to CarVal. The excess of the purchase price over the current fair value of identifiable net liabilities acquired of \$156.1 million (net of cash acquired of \$40.8 million), and the recording of a net deferred tax asset of \$5.1 million resulted in the recognition of \$666.1 million of goodwill and the recording of \$303.0 million of finite-lived intangible assets primarily relating to investment management contracts and investor relationships with useful lives ranging from 5 to 10 years. The goodwill recorded is not deductible for tax purposes as the CarVal acquisition was an investment in a partnership.

The following table summarizes the amounts of identified assets acquired and liabilities assumed at the acquisition date (reflecting acquisition adjustments recorded in the fourth quarter of 2022), as well as the consideration transferred to acquire CarVal (in thousands):

<b>Summary of purchase consideration:</b>		
Fair value of AB Holding units issued	\$	589,169
Fair value of contingent consideration		228,885
<b>Total purchase consideration</b>	<b>\$</b>	<b>818,054</b>
<b>Purchase price allocation:</b>		
<i>Assets acquired:</i>		
Cash and cash equivalents	\$	40,777
Receivables, net		82,523
Investments - other		947
Furniture, equipment, and leasehold improvements, net		2,464
Right-of-use assets		16,482
Other assets		10,600
Deferred tax asset		5,073
Intangible assets		303,000
Goodwill		666,130
Total assets acquired		1,127,996
<i>Liabilities assumed:</i>		
Accounts payable and accrued expenses		(17,793)
Accrued compensation and benefits		(219,726)
Debt		(42,661)
Lease liabilities		(16,571)
Non-redeemable non-controlling interests in consolidated entities		(13,191)
Total liabilities assumed		(309,942)
<b>Net assets acquired</b>	<b>\$</b>	<b>818,054</b>

The CarVal acquisition did not have a significant impact on our 2022 revenues and earnings. As a result, we have not provided supplemental pro forma financial information.

## Divestitures

On November 22, 2022, AB and SocGen, a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses. The consummation of the joint venture is subject to customary closing conditions, including regulatory clearances. The closing is expected to occur before the end of 2023. Upon closing, AB will own a 49% interest in the joint venture and SocGen will own a 51% interest in the joint venture, with an option to reach 100% ownership after five years. The assets and liabilities of AB's research services business (“**the disposal group**”) have been classified as held for sale on the consolidated statement of financial condition and recorded at fair value, less cost to sell. As a result of classifying these assets as held for sale, we recognized a non-cash valuation adjustment of \$7.4 million on the consolidated statement of income, to recognize the net carrying value at lower of cost or fair value, less estimated costs to sell.

**Part II**

The following table summarizes the assets and liabilities of the disposal group classified as held for sale on the consolidated statement of financial condition as of December 31, 2022:

Cash and cash equivalents	\$	159,123
Receivables, net:		
Brokers and dealers		44,717
Brokerage clients		29,243
Other fees		22,988
Investments		24,507
Furniture and equipment, net		4,128
Other assets		107,764
Right-of-use assets		1,552
Intangible assets		4,903
Goodwill		159,826
Valuation adjustment (allowance) on disposal group		(7,400)
<b>Total assets held for sale</b>	<b>\$</b>	<b>551,351</b>
Payables:		
Brokers and dealers	\$	32,983
Brokerage clients		10,232
Other liabilities		50,884
Accrued compensation and benefits		13,853
<b>Total liabilities held for sale</b>	<b>\$</b>	<b>107,952</b>

As of December 31, 2022, cash and cash equivalents classified as held for sale included in the consolidated statement of cash flows was \$159.1 million.

We have determined that the exit from the sell-side research business does not represent a strategic shift that had a major effect on our consolidated results of operations. Accordingly, we have not classified the disposal group as discontinued operations. The results of operations of the disposal group up to the respective dates of sale will be included in our consolidated results of operations for all periods presented. The lower of amortized cost or fair value adjustment upon transferring these assets to held for sale was not material.

## 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.

On July 1, 2022, AllianceBernstein L.P. completed its acquisition of CarVal Investors L.P. ("**CarVal**"). Consistent with guidance issued by the Securities and Exchange Commission that an assessment of a recently acquired business may be omitted from management's report on internal control over financial reporting in the year of acquisition, management excluded an assessment of the effectiveness of the Company's internal control over financial reporting related to CarVal. Total assets and total revenues of CarVal that were excluded from management's assessment each constitute approximately 2% for the year ended December 31, 2022.

Management assessed the effectiveness of AB Holding's and AB's internal control over financial reporting as of December 31, 2022. 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)* (the "**COSO criteria**").

Based on its assessment, management concluded that, as of December 31, 2022, each of AB Holding and AB maintained effective internal control over financial reporting based on the COSO criteria.

PricewaterhouseCoopers LLP (PCAOB ID No. 238), the independent registered public accounting firm that audited the 2022 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, 2022. The reports pertaining to AB Holding and AB each can be found in *Item 8* of this Form 10-K.

### Changes in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting occurred during the fourth quarter of 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II

Item 9B. Other Information

We reported all information required to be disclosed on Form 8-K during the fourth quarter of 2022.

## Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

# Part III

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## Item 10. Directors, Executive Officers and Corporate Governance

We use “**Internet Site**” in Items 10 and 11 to refer to our company’s public website, [www.alliancebernstein.com](http://www.alliancebernstein.com).

To contact our company’s Corporate Secretary, you may send an email to [corporate\\_secretary@alliancebernstein.com](mailto:corporate_secretary@alliancebernstein.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 rights to manage or control the Partnerships or to elect directors of the General Partner. The General Partner is a wholly owned subsidiary of EQH.

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. Similarly, the 1% general partnership interest in AB is entitled to receive distributions equal to those received by each AB 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 consists of 11 directors, including seven independent directors (including our Chair of the Board), our President and CEO, and three senior executives of EQH. 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, personal experiences 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 (the “**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, as well as in government and academia. Each of our directors 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 asset management; regulation; public accounting and financial reporting; finance; risk management; business development; operations; information technology and security; strategic planning; management development, succession planning and compensation; corporate governance; public policy; and international matters.

## Board Committees



Joan Lamm-Tennant				
Seth Bernstein	M		M	
Nella Domenici		M		
Jeffrey Hurd				
Daniel Kaye				M
Nick Lane				
Kristi Matus				
Das Narayandas			M	
Mark Pearson	M		M	M
Charles Stonehill				
Todd Walthall		M		

 Chairperson

M Member

## Board Diversity Matrix

	Female	Male	Non-Binary	Did Not Disclose Gender
<b>Gender Diversity</b>				
Directors	3	8	—	—
<b>Racial/Ethnic/Nationality/Other Forms of Diversity</b>				
African American/Black	—	1	—	—
Alaskan Native/Native American	—	—	—	—
Asian/South Asian	—	1	—	—
Hispanic/Latinx	—	—	—	—
Native Hawaiian/Pacific Islander	—	—	—	—
White/Caucasian	3	6	—	—
LGBTQ+	—	—	—	—
Directors Born Outside of the US	—	1	—	—
Did Not Disclose Demographics	—	—	—	—

Part III

Board of Directors



**Joan Lamm-Tennant**  
Chair of the Board, Equitable Holdings  
Committees:  
**Executive (Chair)**  
Age: **70**  
Director Since: **2021**



**Seth Bernstein**  
President and Chief Executive Officer, AllianceBernstein  
Committees:  
**Executive Governance**  
Age: **61**  
Director Since: **2017**



**Nella Domenici**  
C-Suite executive, board member and philanthropist  
Committees:  
**Audit**  
Age: **62**  
Director Since: **2020**



**Jeffrey Hurd**  
Chief Operating Officer, Equitable Holdings  
Committees:  
**None**  
Age: **56**  
Director Since: **2019**



**Daniel Kaye**  
Director, CME Group (NASDAQ: CME), and Equitable Holdings  
Committees:  
**Compensation**  
Age: **68**  
Director Since: **2017**



**Nick Lane**  
President, Equitable Financial Life Insurance Company  
Committees:  
**None**  
Age: **49**  
Director Since: **2019**



**Kristi Matus**  
Director, Cerence (NASDAQ: CRNC), and Equitable Holdings  
Committees:  
**Governance (Chair)**  
**Compensation (Chair)**  
Age: **55**  
Director Since: **2019**



**Das Narayandas**  
Edsel Bryant Ford Professor of Business Administration, Harvard Business School  
Committees:  
**Governance**  
Age: **62**  
Director Since: **2017**



**Mark Pearson**  
President and Chief Executive Officer, Equitable Holdings  
Committees:  
**Executive Governance**  
**Compensation**  
Age: **64**  
Director Since: **2011**



**Charles Stonehill**  
Founding Partner, Green & Blue Advisors; Director, Equitable Holdings  
Committees:  
**Audit (Chair)**  
Age: **64**  
Director Since: **2019**



**Todd Walthall**  
Chief Executive for Optum Insight (Payer Market), UnitedHealth Group  
Committees:  
**Audit**  
Age: **52**  
Director Since: **2021**

As of February 10, 2023, our directors are as follows:



### Joan Lamm-Tennant

Committees: **Executive (Chair)**

Age: **70**

Director Since: **2021**

#### Background

- Ms. Lamm-Tennant was appointed Chair of AB in October 2021.
- She has served as Chair of the Board of EQH, Equitable Financial and Equitable America since October 2021, after having joined these boards in January 2020.
  - She also serves on the Executive Committee, the Audit Committee, and the Finance and Risk Committee of EQH.
- Ms. Lamm-Tennant founded Blue Marble Microinsurance and served as its CEO from 2015 to 2020.
- She currently is executive advisor of Brewer Lane Ventures, having joined in 2021; she also serves on the boards of Ambac Financial Group and Element Fleet Financial Corp.
- Previously, Ms. Lamm-Tennant was Adjunct Professor, International Business at The Wharton School of the University of Pennsylvania from 2005 to 2016. Prior to or concurrently with her service at The Wharton School, Ms. Lamm-Tennant held various senior positions in the insurance industry, including with Marsh & McLennan Companies, Guy Carpenter and General Reinsurance Corporation.

#### Director Qualifications

Ms. Lamm-Tennant brings to the Board significant industry and academic experience, having held global business leadership roles and developed a distinguished career as a professor of finance and economics.



### Seth Bernstein

Committees: **Executive, Governance**

Age: **61**

Director Since: **2017**

#### Background

- Mr. Bernstein was appointed President and Chief Executive Officer in April 2017 and began serving in this role on May 1, 2017.
- He has served as Senior Executive Vice President and Head of Investment Management and Research of EQH since April 2018.
- Previously, Mr. Bernstein had a distinguished 32-year career at JPMorgan Chase, most recently as Managing Director and Global Head of Managed Solutions and Strategy at J.P. Morgan Asset Management. In this role, Mr. Bernstein was responsible for the management of all discretionary assets within the Private Banking client segment.
  - Among other roles, he served as Managing Director and Global Head of Fixed Income and Currency for 10 years, concluding in 2012.
  - Mr. Bernstein held the position of Chief Financial Officer at JPMorgan Chase's Investment Management and Private Banking division.
- Mr. Bernstein is a member of the Management Committee of EQH and the Investment Committee of the Board of Managers of Haverford College, Pennsylvania.

#### Director Qualifications

Mr. Bernstein brings to the Board the diverse financial services experience he developed through his extensive service at JPMorgan Chase and more recent career at AB.

**Part III****Nella Domenici**

Committees: **Audit**

Age: **62**

Director Since: **2020**

**Background**

- Ms. Domenici was appointed a director of AB in January 2020.
- During 2020 and 2021, she served as Chief Financial Officer and member of the Executive Committee at Dataminr, a leading high-growth AI company that is late-stage venture backed. In her senior executive role, Ms. Domenici was responsible for various strategic, operational and administrative functions.
- From 2015 to 2018, she served as Chief Financial Officer and member of the Operating Committee at Bridgewater Associates, a premier asset management firm.
- Prior thereto, she held various senior managerial, investment banking and strategic positions with firms including Citadel Investment Group, Credit Suisse and The Monitor Consulting Group. In addition, she is a proven entrepreneur, having founded a successful financial consulting firm that advised many family-owned, private equity, venture-backed and real estate companies.
- Ms. Domenici is a dedicated advocate and champion in the areas of education, healthcare and economic development. She co-founded the Excellent Schools of New Mexico, a leading non-profit organization that supports charter schools in underserved communities, and she serves on the board of Regis High School in New York City.
- She also serves on the advisory board of the International Folk-Art Market, which generates economic opportunities for folk artists worldwide, particularly women in developing countries.
- Ms. Domenici is a former member of the Bipartisan Policy Center Behavioral Health Integration Task Force, where she championed initiatives focused on mental illness, and of the board of One World Surgery, which provides access to quality surgical care globally.

**Director Qualifications**

Ms. Domenici brings to the Board her seasoned business acumen and her extensive global experience in strategic financial management, corporate strategy and operations.

**Jeffrey Hurd**

Committees: **None**

Age: **56**

Director Since: **2019**

**Background**

- Mr. Hurd was appointed a director of AB in April 2019.
- He has served as Chief Operating Officer of EQH, and as a member of the EQH Management Committee, since 2018.
  - In this role, Mr. Hurd has strategic oversight for EQH's Human Resources, Information Technology, Insurance Operations and Communications departments.
  - He also is responsible for other key functional areas, including procurement and corporate real estate.
- Mr. Hurd also has served as Chief Operating Officer of Equitable Financial since 2018.
- Prior to joining Equitable, Mr. Hurd served as Executive Vice President and Chief Operating Officer at American International Group, Inc. ("**AIG**"), where he amassed deep financial services industry experience during his 20-year tenure.
  - While at AIG, Mr. Hurd served as Chief Human Resources Officer, Chief Administrative Officer, Deputy General Counsel and Head of Asset Management Restructuring.

**Director Qualifications**

Mr. Hurd brings to the Board his extensive experience in financial services and strategic insights as a senior executive at EQH and, formerly, at AIG.



## Daniel Kaye

Committees: **Compensation**

Age: **68**

Director Since: **2017**

### Background

- Mr. Kaye was appointed a director of AB in April 2017.
- He has been a director of EQH since May 2018 and a director of Equitable Financial and Equitable America since September 2015.
- Also, since May 2019, Mr. Kaye has been a director of CME Group, Inc. (NASDAQ: CME), where he serves as Chair of the Audit Committee.
- From January 2013 to May 2014, Mr. Kaye served as interim Chief Financial Officer and Treasurer of HealthEast Care System. He held this post after retiring in 2012 from his career at Ernst & Young LLP (“E&Y”).
- He served for 35 years at E&Y, including 25 years as an audit partner.
  - During his tenure at E&Y, Mr. Kaye served as the New England Area Managing Partner and the Midwest Area Managing Partner of Assurance.
- Mr. Kaye is a Certified Public Accountant and a National Association of Corporate Directors Board Leadership Fellow.

### Director Qualifications

Mr. Kaye brings to the Board the extensive financial and regulatory expertise he developed through his career at E&Y and his directorships at CME, EQH and certain of EQH's subsidiaries.



## Nick Lane

Committees: **None**

Age: **49**

Director Since: **2019**

### Background

- Mr. Lane was appointed a director of AB in April 2019.
- He has served as Head of Retirement, Wealth Management & Protection Solutions of EQH, and as a member of the EQH Management Committee, since May 2018.
- Also, since February 2019, Mr. Lane has served as President of Equitable Financial, leading that company's Retirement, Wealth Management & Protection Solutions businesses and also leading its Marketing and Digital functions.
- Mr. Lane held various leadership roles with AXA and Equitable Financial since joining Equitable Financial (then a subsidiary of AXA) in 2005 as Senior Vice President of the Strategic Initiatives Group.
  - He has served as President and CEO of AXA Japan, Senior Executive Director at Equitable Financial with responsibilities across commercial divisions, and Head of AXA Global Strategy overseeing AXA's five-year strategic plan across 60 countries.
- Prior to joining Equitable Financial, Mr. Lane was a consultant for McKinsey & Company and a Captain in the United States Marine Corps.

### Director Qualifications

Mr. Lane brings to the Board the outstanding experience and leadership qualities he has developed in various senior roles at AXA S.A., EQH and various subsidiaries, and as an officer in the United States Marine Corps.

Part III



## Kristi Matus

Committees: **Governance (Chair), Compensation (Chair)**

Age: **55**

Director Since: **2019**

### Background

- Ms. Matus was appointed a director of AB in July 2019.
- She has been a director and member of various board committees at EQH and Equitable America since March 2019 and at Equitable Financial since September 2015.
- Ms. Matus has served as director and Audit Committee Chair of Cerence, Inc. (NASDAQ: CRNC), a leading provider of automotive technology, since October 2019.
- Formerly, Ms. Matus had been Chief Financial Officer and Chief Operating Officer of Buckle, Inc., a tech-enabled financial services company, from 2020 to 2022, Chair of the Compensation Committee at Tru Optik Data Corp., a digital media intelligence company, from September 2016 to October 2020, an executive advisor to Thomas H. Lee Partners L.P., a private equity firm, from October 2017 to October 2020, and a director and the Audit Committee Chair at Nextech Systems, a provider of healthcare technology solutions, from June 2019 to October 2020.
- Ms. Matus served as Executive Vice President and Chief Financial & Administrative Officer at athenahealth, Inc. (“athena”) from July 2014 to May 2016.
- Before joining athena, Ms. Matus served as Executive Vice President of Governance Services at Aetna, Inc. from February 2012 to July 2013.
- Previously, she held several leadership roles at United Services Automobile Association.

### Director Qualifications

Ms. Matus brings to the Board her extensive experience in finance, risk management, compliance and audit functions, investor relations, human capital, real estate and IT, gained through her numerous leadership roles at technology, healthcare and insurance companies.



## Das Narayandas

Committees: **Governance**

Age: **62**

Director Since: **2017**

### Background

- Mr. Narayandas was appointed a director of AB in November 2017.
- He is the Edsel Bryant Ford Professor of Business Administration at Harvard Business School (“HBS”), where he has been a faculty member since 1994.
  - Mr. Narayandas also currently serves as the Senior Associate Dean and Chairman of Harvard Business School Publishing, and as the Senior Associate Dean of HBS External Relations.
  - He previously served as the senior associate dean of HBS Executive Education, and as chair of the HBS Executive Education Advanced Management Program and the Program for Leadership Development, as well as course head of the required first-year marketing course in the MBA program.
- Mr. Narayandas has received the award for teaching excellence from the graduating HBS MBA class on several occasions. Other awards he has received include the Robert F. Greenhill Award for Outstanding Service to the HBS Community, the Charles M. Williams Award for Excellence in Teaching and the Apgar Award for Innovation in Teaching.
- His scholarship has focused on market-facing issues in traditional business-to-business marketing and professional service firms, including client management strategies, delivering service excellence, product-line management and channel design.

### Director Qualifications

Mr. Narayandas brings to the Board his wealth of experience at the highest level of academia in the U.S.



## Mark Pearson

Committees: **Executive, Governance, Compensation**

Age: **64**

Director Since: **2011**

### Background

- Mr. Pearson was appointed a director of AB in February 2011.
- He has served as director and as President and CEO of EQH since May 2018.
  - Mr. Pearson also serves as a member of EQH's Management Committee.
- Additionally, Mr. Pearson serves as CEO of Equitable Financial and Equitable America, and he has been a director of both companies since 2011.
- Mr. Pearson joined AXA S.A. in 1995 when it acquired National Mutual Funds Management Limited (presently AXA Asia Pacific Holdings Limited) and was appointed Regional Chief Executive of AXA Asia Life in 2001.
  - From 2008 to 2011, Mr. Pearson was President and Chief Executive Officer of AXA Japan Holding Co., Ltd. ("**AXA Japan**").
  - Prior to joining AXA S.A., Mr. Pearson spent approximately 20 years in the insurance sector, holding several senior management positions at Hill Samuel, Schroders, National Mutual Holdings and Friends Provident.
  - Mr. Pearson is a Fellow of the Chartered Public Association of Certified Public Accountants.

### Director Qualifications

Mr. Pearson brings to the Board the diverse financial services experience he has developed through his service as an executive, including as Chief Executive Officer, with EQH, AXA Japan and other affiliates of AXA S.A.



## Charles Stonehill

Committees: **Audit (Chair)**

Age: **64**

Director Since: **2019**

### Background

- Mr. Stonehill was appointed a director of AB in April 2019.
- He has been a director and member of various board committees at EQH and Equitable America since March 2019, and at Equitable Financial since November 2017.
- Mr. Stonehill has served as a member of the supervisory board of Deutsche Boerse AG, a capital market infrastructure provider, since 2019. Additionally, Mr. Stonehill is a director of Constellation Acquisition Corp. I, a blank check company that targets disruptive innovation across various segments of the global economy, from 2021 to January 2023.
- In addition, Mr. Stonehill is the Founding Partner of Green & Blue Advisors LLC, having started this advisory firm that provides financial advice to clean-tech and other environmentally-minded companies in 2011.
- He formerly was a director of Play Magnus AS, a chess app company, from 2016 to 2021, and non-executive vice chairman of Julius Baer Group Ltd., a global private banking company based in Switzerland, from 2009 to 2021.
- Mr. Stonehill has over 30 years' experience in energy markets, investment banking and capital markets, including leadership positions at Lazard Freres & Co. LLC, Credit Suisse and Morgan Stanley & Co.
- He also served as Chief Financial Officer at Better Place Inc., an electric vehicle start-up, from 2009 to 2011, where he oversaw global financial strategy and capital raising.

### Director Qualifications

Mr. Stonehill brings to the Board his extensive expertise and distinguished track record in the financial services industry and over 30 years' experience in energy markets, investment banking and capital markets.

Part III



Todd Walthall

Committees: **Audit**

Age: **52**

Director Since: **2021**

Background

- Mr. Walthall was appointed a director of AB in September 2021.
- He is a senior executive with UnitedHealth Group, an American multinational managed healthcare and insurance company, currently serving as chief executive officer for Optum Insight (Payer Market) and formerly serving as Executive Vice President of Enterprise Growth.
- Previously, he served as Executive Vice President and Chief Operating Officer at Blue Shield of California.
- Prior to Blue Shield, he served as Vice President and General Manager of Digital Service Integration at American Express. Before joining AMEX, Mr. Walthall held numerous senior roles with USAA Insurance, having contributed to the development of the industry's first mobile check-deposit service.
- He was the recipient of the 2016 Multicultural Leaders of California award from the National Diversity Council, and in 2020 was named one of the Most Influential Black Executives in Corporate America by Savoy Magazine.

Director Qualifications

Mr. Walthall brings over two decades of leadership experience with growth strategy, operations, product development, and customer service and retention programs through his extensive experience in numerous leadership roles throughout his career.

## Executive Officers (other than Mr. Bernstein)

### Kate Burke, COO and CFO

Ms. Burke, age 51, was named Chief Financial Officer in July 2022 while retaining her role as Chief Operating Officer, which she became in July 2020. Ms. Burke served as Head of our firm's Private Wealth channel from February 2021 to June 2022; she was appointed Chief Administrative Officer in May 2019. Previously, she served as Head of Human Capital and Chief Talent Officer from February 2016 to May 2019. Ms. Burke joined our firm in 2004 as an institutional equity salesperson with Bernstein Research Services and has held various managerial roles since that time. Prior to joining AB, Ms. Burke was a consultant at A.T. Kearney, where she focused on strategy, organizational design and change management.

### Onur Erzan, Head of Global Client Group and Private Wealth

Mr. Erzan, age 47, joined our firm in 2021 as Head of Global Client Group and was named Head of Private Wealth in July 2022. In this role, he oversees AB's entire private wealth management business and third-party institutional and retail franchise, where he is responsible for all client services, sales and marketing, as well as product strategy, management and development worldwide. Prior to joining AB, Mr. Erzan spent over 19 years with McKinsey, most recently as a senior partner and co-leader of its Wealth & Asset Management practice. In addition, Mr. Erzan co-led McKinsey's Banking & Securities Solutions (a portfolio of data, analytics and digital assets and capabilities) globally. He has been active in nonprofit organizations for the last several years and has served on the boards of Graham Windham and Turkish Philanthropy Funds.

### Karl Sprules, Head of Global Technology and Operations

Mr. Sprules, age 49, was appointed Head of Global Technology & Operations in 2018. He joined AB's technology department in 1998 as a senior systems engineer in the firm's London office. From 2012 to 2020, Mr. Sprules served as AB's chief technology officer, and since 2018 he has led the relocation of AB's Technology & Operations department to the firm's new Nashville headquarters. In 2012, Mr. Sprules became head of Infrastructure Services for Equities, managing investment operations, operational risk and technology teams. From 2005 to 2012, Mr. Sprules led technology for AB's Private Wealth, Institutional and Client groups. Before joining AB, Mr. Sprules held research analyst positions in cellular and defense product development.

### Mark Manley, Global Head of Compliance and General Counsel

Mr. Manley, age 60, joined the firm in 1984 and currently serves as Senior Vice President, General Counsel and Global Head of Compliance. He served a Deputy General Counsel from June 2004 to December 2021. Mr. Manley has been the firm's Global Head of Compliance since 1988. He chairs AB's Code of Ethics Oversight Committee and is a member of AB's Internal Compliance Controls Committee and nearly all of the firm's senior operating, risk and compliance committees.

### Bill Siemers, Controller and Chief Accounting Officer (and Former Interim CFO)

Mr. Siemers, age 62, joined the firm in 2004 as Director of Financial Reporting and currently serves as Senior Vice President, Controller and Chief Accounting Officer of AB. He briefly assumed the position of Interim Chief Financial Officer in March 2022, serving in that capacity until July. Prior to joining AB, Mr. Siemers held various finance positions at Altria and as an auditor at Deloitte.

### Ali Dibadj, Former CFO and Head of Strategy

Mr. Dibadj, age 47, resigned as our firm's CFO and Head of Strategy in March 2022. He had been appointed Head of Finance (and later CFO-designate) and Head of Strategy in April 2020, and he had served as our firm's CFO since February 2021. He co-led the firm's Strategy Committee in 2019, was designated a portfolio manager focusing on improving operations, ESG and capital allocation of companies in 2017, and served as a senior research analyst with Bernstein Research Services from 2006 to 2020.

**Part III**

## Changes in Directors and Executive Officers

The following changes in our directors and executive officers occurred since we filed our Form 10-K for the year ended December 31, 2021:

### Directors

- Bertram Scott departed the Board, effective March 22, 2022.

### Executive Officers

- Mr. Manley assumed management of AB's Legal & Compliance Department, effective as of January 1, 2022, after our former Chief Legal Officer retired.
- Mr. Dibadj resigned as CFO and Head of Strategy, effective March 22, 2022.
- Mr. Siemers, our firm's Controller and Chief Accounting Officer, was appointed as Interim CFO, effective March 23, 2022; his service as Interim CFO ended on July 6, 2022.
- Ms. Burke, our firm's COO, was appointed CFO on July 6, 2022.
- Mr. Erzan, our firm's Head of Global Client Group, was appointed Head of Private Wealth on July 6, 2022.

## Board Meetings

In 2022, the Board held regular meetings in February, May, September and November. In addition, the Board convened a special meeting in March 2022.

The Board has established a calendar consisting of four regular meetings, which typically are held in February, May, 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 and Risk, Compensation and Workplace Practices, and Governance 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 2022.

## Committees of the Board



### Executive Committee

Committee Members:

**Joan Lamm-Tennant (Chair)**

**Seth Bernstein**

**Mark Pearson**

Meetings in 2022: **4**

Responsibilities:

- 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.
- Typically, determines quarterly unitholder distributions, as applicable.



### Audit and Risk Committee

Committee Members:

**Charles Stonehill (Chair)**

**Nella Domenici**

**Todd Walthall**

Meetings in 2022: **9** (8 regular mtgs. and 1 special mtg.)

Responsibilities:

- Assist the Board in its oversight of:
  - the integrity of the financial statements of the Partnerships;
  - the effectiveness of the Partnerships' internal control over financial reporting and the Partnerships' risk management framework and risk mitigation processes;
  - 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.
- Oversee the appointment, retention, compensation, evaluation and termination of the Partnerships' independent registered public accounting firm.
- Oversee management's development of a comprehensive set of metrics for evaluating the firm's ESG objectives and monitor management's progress in pursuing those objectives.
- Encourages continuous improvement of, and fosters adherence to, the Partnerships' policies, procedures and practices at all levels.
- Provides an open avenue of communication among the independent registered public accounting firm, senior management, the Internal Audit Department, the Global Head of Compliance, the Chief Risk Officer and the Board.

## Part III



### Governance Committee

Committee Members:

**Kristi Matus (Chair)**

**Seth Bernstein**

**Das Narayandas**

**Mark Pearson**

Meetings in 2022: **2**

#### Responsibilities:

- 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.
- 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.



### Compensation and Workplace Practices Committee

Committee Members:

**Kristi Matus (Chair)**

**Daniel Kaye**

**Mark Pearson**

Meetings in 2022: **6** (5 regular mtgs. and 1 special mtg.)

For a discussion of the Compensation Committee's responsibilities, *please see "Compensation Discussion and Analysis - Compensation Committee; Process for Determining Executive Compensation" in Item 11.*

The functions of each of the Board committees discussed above are more fully described in each committee's charter. The charters are available in the "Responsibility - Corporate Governance" section of our Internet Site.

## Audit Committee Financial Experts; Financial Literacy

### Audit Committee Financial Expertise

In February 2022, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that each of Ms. Domenici and Mr. Stonehill 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 held in February 2022.

### Financial Literacy

In February 2022, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that Ms. Domenici, Mr. Stonehill and Mr. Walthall each 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 held in February 2022.

## Independence of Certain Directors

In February 2022, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that each of Mses. Domenici, Lamm-Tennant and Matus and Messrs. Kaye, Narayandas, Stonehill and Walthall is independent. The Board determined, at its February 2022 regular meeting, that each of these directors is independent within the meaning of the relevant rules.

## Board Leadership Structure and Role in Risk Oversight

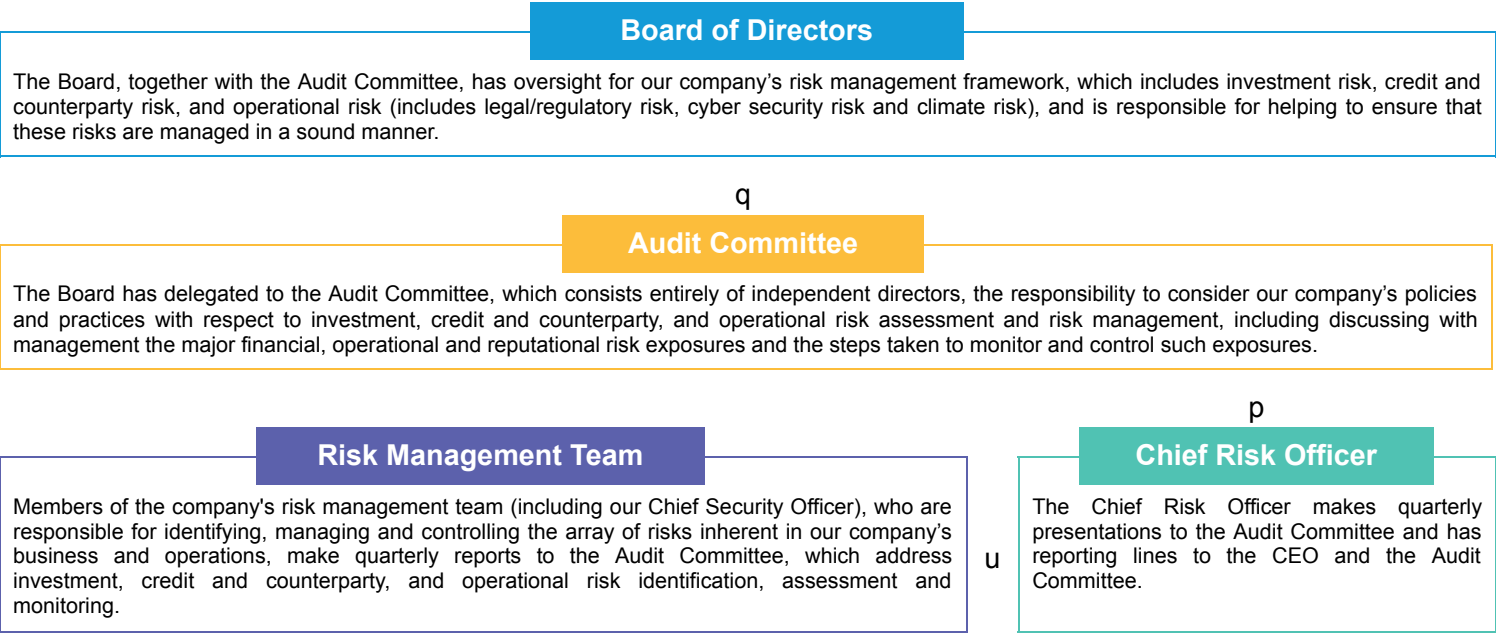
### Leadership

The Board, together with the Governance Committee, is responsible for reviewing the Board's leadership structure. In determining the appropriate individuals to serve as our Chair and our CEO, the Board and the Governance Committee consider, among other things, the composition of the Board, our company's strong corporate governance practices, and the challenges and opportunities specific to AB.

### Contacting our Board

Interested parties wishing to communicate directly with our Chair or the other members of our Board may send an e-mail, with "confidential" in the subject line, to our Corporate Secretary or address mail to Ms. Lamm-Tennant in care of our Corporate Secretary. Our Corporate Secretary will promptly forward such e-mail or mail to Ms. Lamm-Tennant. We have posted this information in the "Responsibility - Corporate Governance" section of our Internet Site.

### Risk Oversight



The Board has determined that its leadership and risk oversight are appropriate for our company. Mr. Bernstein's in-depth knowledge of financial services and extensive executive experience in the investment management industry make him well-suited to serve as our President and CEO, while Ms. Lamm-Tennant's in-depth industry and academic experience are invaluable at enhancing the overall functioning of the Board. The Board believes that the combination of a separate Chair and CEO, the Audit Committee, a specialized risk management team and significant involvement from our largest Unitholder (EQH) provide the appropriate leadership to help ensure effective risk oversight.

## Code of Ethics and Related Policies

Our directors, officers and employees are subject to our Code of Business Conduct and Ethics (the "**Code of Ethics**"). The Code of Ethics 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 Ethics establishes certain guiding principles for all of our employees, including sensitivity to our fiduciary obligations and ensuring that we meet those obligations. In addition, the Code of Ethics, together with our firm's insider trading policy, restricts employees from trading when in possession of material non-public information of any kind, which can include the existence of a significant cybersecurity incident at our firm. Our Code of Ethics may be found in the "Responsibility - Corporate Governance" section of our Internet Site.

## Part III

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 (the “**Item 406 Code**”). The Item 406 Code may be found in the “Responsibility - Corporate Governance” section of our Internet Site. 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 wholly owned subsidiary of EQH, 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 (the “**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 “Responsibility - Corporate Governance” section of our Internet Site.

The Governance Committee is responsible for considering any request for a waiver under the Code of Ethics, the Item 406 Code and the EQH 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 “Responsibility - Corporate Governance” section of our Internet Site.

We include in the “Responsibility - Corporate Governance,” section of our Internet site 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.

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 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 “Responsibility - Corporate 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 (the “**Ethics Committee**”) and the Internal Compliance Controls Committee (the “**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 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.

## Item 11. Executive Compensation

### Compensation Discussion and Analysis (“CD&A”)

In this CD&A, we provide an overview and analysis of our executive compensation philosophy, address the principal elements used to compensate our executive officers and explain how our executive compensation program aligns with AB’s strategic objectives. Additionally, we discuss 2022 incentive compensation recommendations and decisions made by our Compensation Committee for our named executive officers (“NEOs”). This CD&A should be read together with the compensation tables that follow this section. Our NEOs for 2022<sup>(1)</sup> are:



**Seth Bernstein**  
President and Chief  
Executive Officer (“CEO”)



**Kate Burke**  
Chief Operating  
Officer (“COO”) and CFO



**Onur Erzan**  
Head of Global Client Group  
and Private Wealth



**Karl Sprules**  
Head of Global Technology  
and Operations



**Mark Manley**  
General Counsel and Global  
Head of Compliance



**Bill Siemers**  
Controller and Chief  
Accounting Officer (and  
Former Interim CFO)

<sup>(1)</sup> Ali Dibadj resigned from his position as CFO and Head of Strategy in March 2022. We have included information concerning Mr. Dibadj in this CD&A and the compensatory tables that follow in accordance with applicable SEC rules and regulations.

### 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 and clients.

Furthermore, our compensation practices are structured to help the firm realize its long-term growth strategy to **Deliver, Diversify and Expand, Responsibly, with Equitable** (the “Growth Strategy”), which includes firm-wide initiatives to:

- Deliver superior investment solutions to our clients;
- Develop high-quality differentiated services; and
- Maintain strong incremental margins.

We also are focused on ensuring that our compensation practices are competitive with industry peers and provide sufficient potential for wealth creation for our NEOs 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 primary objective of helping our clients reach their financial goals; and
- align our executives’ long-term interests with those of our Unitholders and clients.

Progress in Advancing our Growth Strategy in 2022

Despite a challenging investing and operating environment in 2022, we continued to make progress in executing our Growth Strategy: Deliver, Diversify, and Expand, Responsibly, with Equitable.

Deliver Superior Investment Solutions to our Clients:

Investment Performance

The firm’s investment teams continue to focus on consistently delivering differentiated return streams to our clients. We believe that, over time, the ability to produce idiosyncratic returns that cannot be easily replicated will be central to sustaining our competitive advantage. In 2022, our fixed income performance lagged, with 20% of assets outperforming for the one-year period ended December 31, 2022, while the majority, or 53%, outperformed over the three-year period and 70% outperformed for the five-year period. In active equities, 59% of assets were in outperforming services for the one-year period, 59% for the three-year period and 77% for the five-year period ended December 31, 2022. (This performance data reflects the percentage of active fixed income and equity assets in institutional services that outperformed their respective benchmarks, gross of fees, and of active fixed income and equity assets in retail advisor and I share class funds ranked in the top half of their Morningstar category; if no advisor class exists, we used A share class). Additionally, at year-end 2022, 62% of U.S. Fund assets and 38% of Non-U.S. Fund assets were rated 4- or 5-stars by Morningstar.

The following retail fixed income and equity mutual funds with AUM greater than \$1 billion placed in the top quartile of performance for the three-year period ended December 31, 2022:

<b>AB U.S. retail fixed income mutual funds that placed in the top quartile (3-yrs):</b> <ul style="list-style-type: none"><li>AB Bond Inflation Strategy</li><li>AB Municipal Bond Inflation Strategy</li></ul>	<b>AB Non-U.S. fixed income funds that placed in the top quartile (3-yrs):</b> <ul style="list-style-type: none"><li>AB Short Duration High Yield</li></ul>	<b>AB U.S. retail equity mutual funds that placed in the top quartile (3-yrs):</b> <ul style="list-style-type: none"><li>AB Sustainable Global Thematic</li></ul>	<b>AB Non-U.S. equity funds that placed in the top quartile (3-yrs):</b> <ul style="list-style-type: none"><li>AB Select US Equity</li><li>AB International Healthcare</li><li>AB American Growth</li><li>AB Sustainable Global Thematic</li><li>AB Sustainable US Thematic</li></ul>
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Net Flows

Scaling our proven investment services remains a key focus of our firm. Despite negative returns for both equity and fixed income markets in 2022, which drove industry-wide active net outflows, we generated our fourth consecutive year of positive active organic growth, or \$0.9 billion, primarily due to 22% organic growth in alternatives/multi-asset. In our Retail channel, gross sales were \$65.9 billion, down 34% compared with a record 2021. The retail redemption rate declined to 24% in 2022 from 30% in 2021, and full-year net outflows were \$11.6 billion, driven by taxable fixed income. In our Institutional channel, gross sales were \$32.2 billion, the highest since 2008, driven by \$16 billion in funding related to two institutional custom target date mandates. The firm generated institutional net inflows of \$6.3 billion, or a 2% organic growth rate, for a fourth consecutive year of organic growth. Our pipeline of \$13.2 billion in AUM decreased by 39% as compared with \$21.5 billion a year ago, reflecting strong fourth quarter funding; alternatives represented over 80% of the pipeline fee base at year-end. In Private Wealth, gross sales in 2022 of \$17.5 billion were strong, decreasing just 4% year-over-year, and this channel generated its fifth year of net inflows in the last seven, or 1.4% organic growth.

## Diversify Through Developing High-Quality Differentiated Services:

Growing the diversity of our offerings to meet the needs of an evolving, complex global client base remains a key focus. In 2022, new investment strategy launches across our global platform included: Diversity Champions Equity, SMA Custom Muni, AB Ultra Short Income ETF, AB Tax-Aware Short Duration Municipal ETF and Fixed Maturity Portfolio 2025. Additionally, we launched multiple new vehicles for existing investment strategies in response to customer demand, across a diverse set of geographies.

## Expand:

In 2022, we focused on expanding our Private Alternatives business, both organically (by scaling existing investment platforms) and inorganically. The acquisition of CarVal Investors, which closed on July 1, 2022, added complementary services including: opportunistic/distressed credit, renewable energy, infrastructure, specialty finance and transportation. AB's Private Markets platform is now \$56 billion, up 57% year over year, reflecting a diverse and relevant offering for institutional, retail and private wealth clients. We remain focused on expanding opportunistically, both inside and outside the U.S., to support long-term growth. We have efforts underway to expand our range of services and capabilities in China, other Asian nations and select European markets. We are also investing in our Insurance asset management business to grow third party clients. And, we have redesigned the Muni investment platform to enable customization and tax optimization at scale in our custom Muni SMAs.

## Responsibly:

We continue to launch new Portfolios with Purpose, which now represent \$24 billion in AUM; while down from \$32 billion the prior year due to lower market levels, these portfolios continued to grow organically. In 2022, we were recognized as a thought leader, winning numerous awards, including: Best Sustainable Fund Management Group of the Year (Investment Week), and Environmental Finance's IMPACT Award for Fixed Income Fund of the Year (Muni Impact).

## With Equitable:

Equitable has allocated and is currently deploying \$10 billion of permanent capital<sup>3</sup> to AB's illiquid platform to reposition and thereby further improve the risk adjusted return of its General Account, through seeding new alternative business at AB. Included in this \$10 billion commitment is \$750 million to be deployed in AB CarVal strategies.

In addition to funding record inflows to our US and Europe Commercial Real Estate Debt strategies in 2022, Equitable supported the launch of our Ultra Short Income ETF.

As of year-end 2022, more than 50% of the \$10 billion of committed capital has been deployed in both Private Alternative and Private Placement strategies.

## Maintain Strong Incremental Margins:

We remain focused on managing costs to help ensure that we generate targeted incremental adjusted operating margins in the range of 45-50%, over time. In 2022, we continued to execute a key pillar of this strategy, which we initially announced in 2018: the relocation of our corporate headquarters from New York City to Nashville. In 2022, we continued to relocate positions to our recently constructed Nashville headquarters. We have relocated over 85% of our targeted 1,250 positions. We continue to seek efficiencies and manage various operating expenses to help ensure that we drive operating leverage on incremental revenues.

Declines in equity and fixed income markets in 2022 negatively impacted our revenues, resulting in a rolling three-year incremental adjusted operating margin of 35%, below our targeted range of 45% to 50%. Our adjusted operating margin decreased to 28.4% in 2022, down 520 basis points as compared to 33.6% in 2021. The decrease resulted from an 8% decline in adjusted net revenues, driven by lower base fees, lower performance-based fees, and a decline in Bernstein Research Services revenues. Total adjusted compensation and benefits expense declined by 3% and total adjusted operating expenses were flat year over year. We provide additional information regarding our adjusted compensation ratio *below in this CD&A; see our discussion of "Management Operating Metrics" above in Item 7* for a reconciliation between our results pursuant to US GAAP and our adjusted results.

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<sup>3</sup> Permanent capital means investment capital of indefinite duration, which may be withdrawn under certain conditions. Although Equitable Financial has indicated its intention over time to provide this investment capital to AB, which is mutually beneficial to both firms, it has no binding commitment to do so.

Our Compensation Practices are Structured to Help the Firm Realize its Growth Strategy

**Develop, commercialize and scale our suite of services**

**Launched**  
5 Services: Diversity Champions Equity, SMA Custom Muni, AB Ultra Short Income ETF, AB Tax-Aware Short Duration Municipal ETF, Fixed Maturity Bond Portfolio 2025

**\$13.2 billion**  
Institutional pipeline with strong funding activity, >\$27B, throughout FY22 and pipeline active fee rate ~3x the institutional channel fee rate

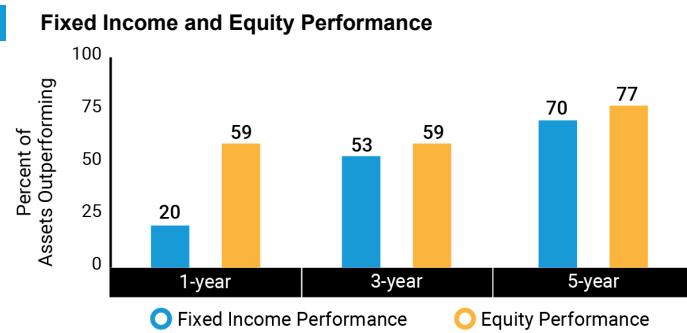
**\$23.8 billion**  
ESG Portfolios with Purpose

**\$10 billion**  
Committed by Equitable Financial to expand AB's Private Alternative and Private Placement Platforms

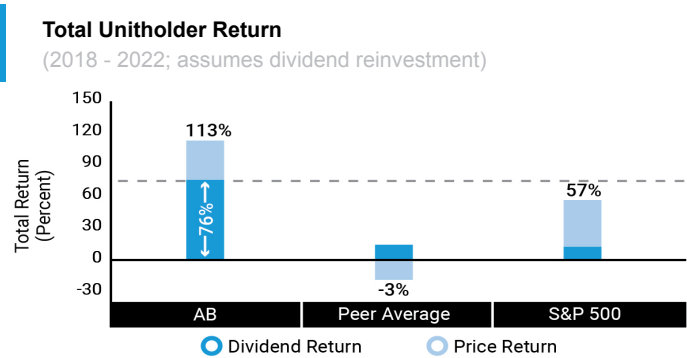
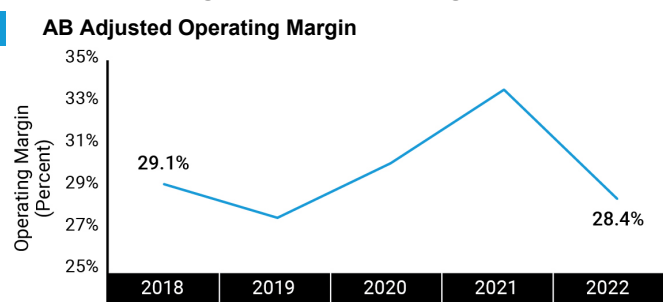
**Private Markets**

**Rapidly Growing Private Markets Platform**  
\$56B Private Markets AUM, up 57%, driven by the CarVal acquisition and strong organic growth

Deliver superior investment solutions to clients



Maintain strong incremental margins<sup>(1)</sup>



Overview

**Gross Sales**

AB's Institutional channel achieved

**\$32.2B**

in gross sales in 2022, highest annual sales since 2008

**Alts/MAS**

Alternatives/Multi-Asset organic growth

**22.3%**

in 2022

**Organic Growth**

4th consecutive year of Active organic gains (ex-AXA), averaging

**3.5%**

of annual organic growth per year, over the last 4 years

**Beneficial Pipeline Mix**

Alternatives represented over

**80%**

of institutional pipeline fee base at year-end

<sup>(1)</sup> AB generated a rolling three-year (2022 vs 2019) incremental adjusted operating margin of 35% in 2022, below the long-term targeted range of 45-50%. We provide additional information regarding our adjusted operating margin in MD&A above in Item 7.

## Overview of 2022 Incentive Compensation Program

When reflecting on 2022 performance and pay, each of our NEOs (other than Mr. Dibadj, who resigned in March 2022) received a portion of his or her year-end incentive compensation in the form of an annual cash bonus and a portion in the form of long-term incentive compensation awards. The split between annual cash bonus and long-term incentive compensation varied depending on the NEO'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 NEOs" below*.)

In 2022, we utilized performance scorecards for senior leaders of the firm, including our NEOs. These scorecards require our senior leaders to develop and maintain a broad leadership mindset with priorities, such as accelerating ESG initiatives and our firm's alternatives platform, that are aligned with firm-wide goals of creating long-term value for all of our stakeholders. The scorecard for each NEO reflected our Growth Strategy and included actual results relative to target metrics across the following measures:

- Financial performance, including peer results, adjusted operating margin, adjusted net revenue growth and operating efficiency targets (see our discussion of *"Management Operating Metrics" in Item 7* for a reconciliation between our results pursuant to US GAAP and our adjusted results);
- Investment performance, by delivering competitive returns across services and time periods;
- Strategic, aligned with our strategy of delivering core investment solutions, while developing high-quality differentiated services, in faster-growing geographies, responsibly, in partnership with Equitable;
- Organizational, including organizational effectiveness and efficiency, leadership impact, succession planning, developing talent, innovating and automating, and real estate utilization; and
- Cultural, including purpose, employee engagement, diversity, retention and safety.

The scorecards support management and the Compensation Committee in assessing each executive's performance relative to business, operational and cultural goals established at the beginning of the year and reviewed in the context of the current-year financial performance of the firm. The amount of incentive compensation paid to our NEOs continues to be determined on a discretionary basis by the Compensation Committee. (For additional information, please see *"Compensation Committee; Process for Determining Executive Compensation" below in this CD&A*.)

Mr. Bernstein and Ms. Burke, together with the Compensation Committee, continue to believe that the appropriate metric to consider in determining the amount of incentive compensation paid to all employees, including our NEOs, in respect of 2022 performance 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. Also, we adjust for certain performance-based fees passed through to our investment professionals.
- **Adjusted net revenues** (see our discussion of *"Management Operating Metrics" in Item 7* for a reconciliation between our results pursuant to US GAAP and our adjusted results) exclude investment gains and losses and dividends and interest on employee long-term incentive compensation-related investments. 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 additional pass-through expenses we incur (primarily through our transfer agent) that are reimbursed and recorded as fees in revenues. Additionally, we adjust for the revenue impact of consolidating company-sponsored investment funds by eliminating the consolidated company-sponsored investment funds' revenues and including AB's fees from such funds, and AB's investment gains and losses on its investment in such funds, that were eliminated in consolidation. We also adjust for certain acquisition-related pass-through performance-based fees and certain other performance-based fees passed through to our investment professionals.

**Part III**

In addition, Mr. Bernstein and Ms. Burke, together with the Compensation Committee, continue to believe that the firm's adjusted employee compensation and benefits expense, excluding the impact of performance-based fees, generally should not exceed 50.0% of our adjusted net revenues annually, except in unexpected or unusual circumstances. *As the table below indicates*, in 2022, adjusted employee compensation and benefits expense amounted to approximately 48.4% of our adjusted net revenues (in thousands):

Net Revenues	\$	4,054,290
Adjustments ( <i>see above</i> )		(718,056)
<b>Adjusted Net Revenues</b>	<b>\$</b>	<b>3,336,234</b>
Employee Compensation & Benefits Expense	\$	1,666,636
Adjustments ( <i>see above</i> )		(53,354)
<b>Adjusted Employee Compensation &amp; Benefits Expense</b>	<b>\$</b>	<b>1,613,282</b>
<b>Adjusted Compensation Ratio</b>		<b>48.4 %</b>

Our 2022 adjusted compensation ratio of approximately 48.4% reflects a balancing of the need to keep compensation levels competitive with industry peers in order to attract, motivate and retain highly-qualified talent with the need to maintain strong operating leverage in our business. The Compensation Committee works with management to help ensure both needs are sufficiently addressed.

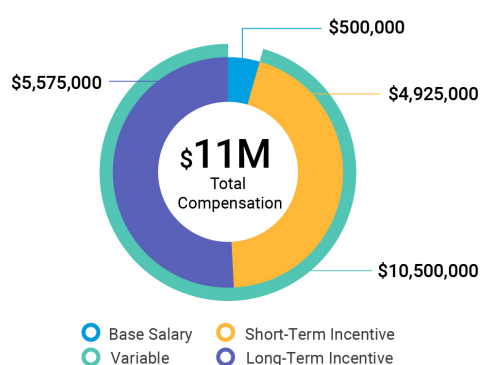
We have *described below* each NEO's individual achievements in 2022 given each officer's role, the contents of their respective performance scorecards and the firm's business and operational goals:

## Seth Bernstein

### President and Chief Executive Officer

**Summary of Achievements:** As President and CEO, Mr. Bernstein led AB to achieve modestly positive active organic growth despite a very challenging year. Disciplined expense management allowed the firm to continue to invest in strategic growth areas, including the acquisition of CarVal Investors ("CarVal") and the expansion of services for key client segments. Mr. Bernstein drove a focus on leadership development, organizational stability, and culture as we successfully returned to the office globally adopting a new hybrid working model.

## 2022 Compensation



## Individual Achievements

### Financial and Investment Performance

- Led the firm's efforts in achieving modestly positive active organic growth for the year, in contrast with industry-wide aggregate net active outflows. AB's total active net flows were positive in 2022, with two of the firm's three distribution channels growing organically. The firm's average effective fee rate increased by 3% year-over-year, reflecting a repositioning of the business mix towards higher-value services, including the CarVal acquisition.
- Adjusted Earnings per Unit ("EPU") of \$2.95 in 2022 declined 24% compared to 2021, reflecting adverse financial markets.
- The majority of equity assets outperformed peers or benchmarks in equities despite the challenging market environment, while fixed income underperformed (as measured by the percentage of assets outperforming). Longer term, five-year returns for both asset classes remain competitive.

### Strategic

- Successfully closed the acquisition of CarVal, a global alternatives manager with complementary capabilities, expanding AB's private markets platform to \$56B in assets under management.
- Announced plans to form a joint venture partnership with Société Générale ("SG") for our Bernstein Research Services business, identifying a strategic partner committed to strengthening and growing the cash equities and research business, while allowing AB to continue to invest in key strategic priorities.
- Expanded capabilities in key target client segments, including launching an Active ETF platform and expanding custom municipal separately managed accounts for US Retail, while investing in our insurance business to grow third party clients.
- Advanced responsibility goals in our operations and continued to elevate AB's brand and credentials through thought leadership and the launch of additional Portfolios with Purpose. Recognized as Investment Week's Best Sustainable Fund Management Group of the Year.
- Continued to strengthen the partnership with Equitable Holdings, including working jointly to improve yield on their General Account while seeding new private alternatives strategies.

### Organizational

- Prioritized leadership development for our senior staff and launched new manager training programs that reflect our new hybrid work model.
- Bolstered the stability of the firm in the face of uncertainty, including cyberattack preparedness, prudent expense management, and a reevaluation of our real estate strategy.

### Culture

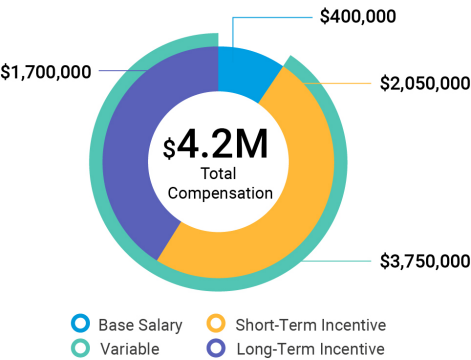
- Diversity, Equity & Inclusion continues to be a firm-wide priority, and we saw modest improvements in our underrepresented populations against our goals to increase diverse employees at the firm.
- Maintained strong engagement metrics in AB's employee survey. Launched our new firm-wide purpose and values statements and embedded those principles into talent management processes, corporate messaging, and business unit activities.

Kate Burke

Chief Operating Officer and Chief Financial Officer

**Summary of Achievements:** As COO, Ms. Burke continued to progress AB's headquarters transition to Nashville and led the firm's return to office. In July, Ms. Burke successfully transitioned the role of Head of Private Wealth to Mr. Erzan and took on a new role as CFO, now overseeing all corporate functions of the firm. As CFO, Ms. Burke was a key advisor on the acquisition of CarVal, the planned joint venture with Bernstein Research and Société Générale, and led cost-saving efforts firm-wide.

2022 Compensation



Individual Achievements

Financial

- Balanced the firm's revenues, expenses, and financial resources through a disciplined process to manage AB's adjusted margin to 28.4% for the year, which exceeded consensus expectations in a period of weakened financial markets and lower revenues.
- Led the firm's compensation process. Disciplined and continuous management of compensation as the year progressed through volatile financial markets enabled the appropriate balance of talent retention, investment in key growth initiatives, and healthy operating margins. The process resulted in the firm's compensation ratio of 48.4%, a ratio better than consensus expectations, continuing the firm's 10-year track record of a compensation ratio below 50%.
- Prudent expense management in the face of lower revenues led to a rolling 3-year incremental adjusted operating margin (2022 vs 2019) of 35%, as compared with the targeted long-term range of 45-50%.
- Ensured a smooth transition of leadership overseeing AB's Private Wealth business as well as AB's financial processes, including accounting, financial planning & analysis, tax, and treasury. Established relationships with the analyst community.

Strategic

- Helped execute AB's milestone M&A priorities: the \$750 million CarVal acquisition and the planned joint venture with SG. Ms. Burke led critical efforts to integrate the CarVal team across people, culture, benefits, technology, operations and financials. Additionally, Ms. Burke strategized with corporate functions to assess entering into the SG joint venture and implications thereof.
- Launched an extensive review, in partnership with the Responsibility team, to identify where ESG is impacting various parts of our operations to enhance governance and broaden accountability.
- Led the firm's Private Wealth business during first half 2022, focused on management accountability, advisor retention, improving digital capabilities and investment advice.

Organizational

- Implemented enhancements to the firm's compensation processes, which resulted in increased transparency and improved efficiencies. Enhanced partnership with Equitable Holdings led to improved outcomes with AB's Compensation Committee.
- Increased collaboration across all corporate functions by providing a platform for business leaders to discuss initiatives, emerging issues, resourcing, diversity efforts, and broader topics that impact the firm.
- Drove momentum in Nashville with the official unveiling of our headquarters and ongoing meaningful engagement with community and business leaders. Advanced progress toward the firm's goal of 1,250 employees in Nashville by 2024 by adding 105 employees in 2022.

Culture

- Led the firm's efforts to successfully return to the office globally, adopting a new hybrid working model. Ensured organizational and talent management processes supported new ways of working.
- Launched AB's purpose and values while engaging in small group meetings and town halls to reinforce the importance of culture, diverse thinking and corporate responsibility.

Onur Erzan

Head of Global Client Group and Head of Private Wealth

**Summary of Achievements:** As Head of Global Client Group (CG) and Head of Private Wealth (PW), Mr. Erzan oversaw strong sales across both groups despite challenging markets. Under Mr. Erzan's leadership, the CG launched an active ETF platform, expanded capabilities for the insurance segment, and launched new sales enablement tools. Additionally, Mr. Erzan successfully transitioned to Head of PW in July focusing on a strategy refresh and realignment of roles and responsibilities. As a member of the executive leadership team, Mr. Erzan collaborated with senior leadership across AB and Equitable Holdings on overall business and sales strategy.

Individual Achievements

Financial

- Achieved solid results in CG with 2022 gross sales of \$98B, including institutional sales of \$32B and retail sales of \$66B. The institutional pipeline reached a record high in 3Q 2022 surpassing \$100M in revenue and \$25B in AUM; ended the year with a \$13B pipeline. Client retention rates improved across channels.
- Generated another year of positive PW net flows at +\$1.7B. Advisor productivity remains at historically high levels and the client retention rate improved. PW's fee rate remained relatively stable as continued growth in private alternatives partially offset the impact of deteriorating equity markets.

Strategic

- Led CG to make significant progress toward its long-term strategy. Built out the ETF team and launched the firm's first two active ETFs in short duration fixed income. Launched Oculus, a new US Retail sales enablement platform with a goal to maximize productivity, leveraging data science to drive engagement and deepen client relationships. Successfully launched the CarVal Clean Energy strategy in the US Retail channel.
- Focused on growing third party insurance clients by expanding the global sales/specialist team, creating new thought leadership, and holding our inaugural insurance executive seminar "Navigating Disruption and the Future of Insurance." Grew the customized Defined Contribution franchise with \$16B in positive net flows, bolstered by the addition of two new clients.
- Developed a four-part vision and strategy for PW focused on meeting client complexity through customized solutions, advisor and client excellence, investment and wealth advice, and scalable advice and services. Select strategic achievements include establishing external partnership with two banking institutions on lending capabilities and continued modernization of technology and operations platform.
- Enhanced PW investment oversight through the creation of a formal Manager Research Group responsible for due diligence of new and existing investment services. Implemented modifications to cash program, which enhanced simplicity for clients and improved operational efficiency.

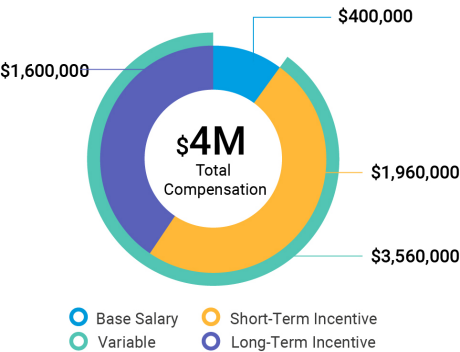
Organizational

- Focused on attracting and onboarding several senior leadership roles within the CG globally across sales, business development, and product strategy.
- Redesigned PW's organizational structure to focus on new business growth within targeted client segments. (UHNW, Global Families, Family Offices, Women and Diverse Markets).

Culture

- Fostered a positive, results-driven culture of continuous learning and development across CG and PW. Improved teamwork and collaboration across both organizations, including cross-department partnerships in business management and marketing.
- Promoted a customer-centric approach across the organization via segmented client playbooks and client engagement surveys.

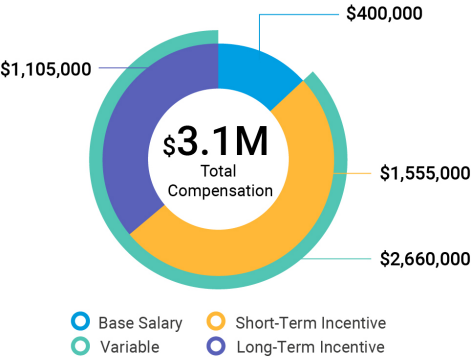
2022 Compensation



**Karl Sprules**  
**Head of Global Technology and Operations**

**Summary of Achievements:** As Head of Global Technology & Operations, Mr. Sprules led a team of ~1,100+ employees and ~900+ consultants to provide technology infrastructure, software development, portfolio operations, investment operations, transfer agent, fund accounting and real estate services, globally.

**2022 Compensation**



**Individual Achievements**

**Financial**

- Delivered on a three-year project to migrate the accounting platform used within our Private Wealth business to our in-house, strategic platform, increasing integration and reducing risk and technology expense.

**Strategic**

- Opened our office in Pune, India, focused on supplying talent to business units across AB. Onboarded the first 300 staff (effective January 1, 2023) and designed the office, technology, people, and management infrastructure to support expansion.
- Drove the adoption of blockchain-based technology in our fund transfer agent business with the goal of building operational, security and infrastructure expertise.
- Advised on the development of a segregated, end-to-end asset management infrastructure covering all operations and systems to support the build-out of an onshore fund management company in China.
- Provided technology and operations thought leadership in the development of new services, including ETFs, municipal bond separately managed accounts, and the integration of CarVal Investors.

**Organizational**

- Led the team responsible for returning to the office with our hybrid working model. Brought together a multidisciplinary team from people, legal, security, technology and operations to ensure our global offices welcomed staff back safely and in accordance with local regulations.
- Led the effort to consolidate collaboration platforms across AB, moving from four disparate systems to a single, firm-wide tool for office, remote work and mobile collaboration.
- Completed a two-year platform investment to deliver a cybersecurity response infrastructure. Developed day zero and day one response plans.

**Culture**

- Led the team responsible for opening our new office in London, delivering a collaborative, equitable and state-of-the-art work environment.

Mark Manley

General Counsel and Global Head of Compliance

**Summary of Achievements:** Upon the retirement of Larry Cranch, AB's former Chief Legal Officer, on December 31, 2021, Mr. Manley, who had already been serving as General Counsel and Global Head of Compliance, assumed management of AB's Legal and Compliance department, overseeing all legal and regulatory affairs for the firm. He also joined both the Executive Team and Operating Committee.

Individual Achievements

Financial

- Continued to control outside counsel expenses with respect to ongoing and routine legal matters.

Strategic

- Successfully completed the leadership transition of the Legal and Compliance Department.
- Ensured no regulatory examination resulted in a material adverse finding or enforcement proceeding.
- Provided legal and regulatory guidance in the CarVal and SG transactions; helped lead steering committees on both transactions, focusing on execution and integration.
- Enhanced the partnership with Equitable through strong collaboration with its legal leadership and improved AB Board governance and communication.
- Oversaw all legal and regulatory matters relating to new product development and strategic initiatives; established ESG risk assessment and compliance programs globally.

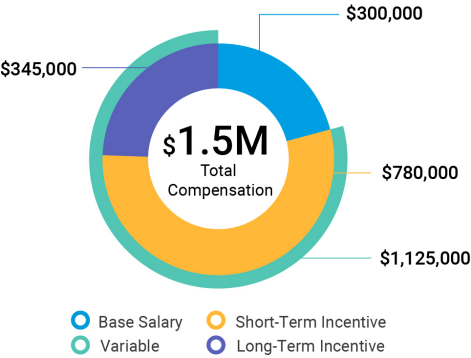
Organizational

- Recruited, developed and retained high-quality talent.
- Drove innovation and savings through technology and process improvements.

Culture

- Emphasized the importance of our fiduciary culture through compliance and workplace practices training; lead departmental initiatives around purpose, values and corporate responsibility.

2022 Compensation



Part III

Bill Siemers

Controller and Chief Accounting Officer (served as Interim Chief Financial Officer from March 23, 2022 – July 5, 2022)

**Summary of Achievements:** As Controller and Chief Accounting Officer, as well as Interim Chief Financial Officer (CFO), Mr. Siemers oversaw the delivery of complete, accurate and timely financial results both internally and externally (in SEC periodic reports and Earnings Releases) and ensured continuity and continuous improvement of a strong Finance function.

Individual Achievements

Financial

- Contributed to cost optimization initiatives implemented in response to a volatile market environment.
- Improved AB's financial processes through enhanced accounting, accounts payable, and payroll procedures.

Strategic

- Supported the execution of the CarVal acquisition and the planned joint venture with SG.
- Supported the financial tracking and disclosures related to ESG initiatives.
- Increased collaboration of share repurchases, debt levels, and strategic initiatives with Equitable.

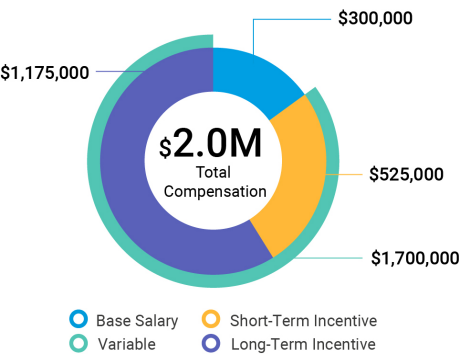
Organizational

- Led the Finance function and executed all CFO responsibilities for approximately three months; supported and helped transition the new CFO.
- Coordinated and documented the Finance procedures for cyberattack readiness planning.

Culture

- Established a Finance Purpose Council and engaged in various Town Halls and small meeting groups to encourage employees to connect with AB's purpose and values.
- Maintained strong Finance employee engagement and retention; grew diversity within our workforce.

2022 Compensation



2022 Compensation

Ali Dibadj

Former CFO and Head of Strategy

Mr. Dibadj served as CFO and Head of Strategy until March 2022 when he notified AB of his resignation from his position to become the chief executive officer of another publicly traded company. Up until his resignation, Mr. Dibadj was responsible for AB's financial functions, including accounting, tax, treasury, financial planning & analysis, investor relations and corporate strategy. Mr. Dibadj's only compensation in 2022 consisted of a pro-rata portion of his \$400,000 salary (through his termination date) and equity awards he received from EQH (which he forfeited when he resigned).



The compensation of each of these NEOs (other than Mr. Dibadj) reflected the Compensation Committee's judgment (and Mr. Bernstein's judgment, with respect to each executive other than himself) in assessing the importance of the executive's achievements in the context of our firm's adjusted financial results and progress in advancing our Growth Strategy.

## Compensation Committee; Process for Determining Executive Compensation

The Compensation Committee consists of Ms. Matus (Chair), Mr. Kaye and Mr. Pearson. The Compensation Committee held five regular meetings and one special meeting in 2022.

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. EQH owns, directly and through various subsidiaries, an approximate 61.3% economic interest in AB (as of December 31, 2022), and compensation expense is a significant component of our financial results. For these reasons, Mr. Pearson, director and President and CEO of EQH, is a member of the Compensation Committee, and any action taken by the Compensation Committee requires his affirmative vote or consent. Given this structure, the Compensation Committee has established a sub-committee consisting entirely of non-management directors (i.e., Ms. Matus and Mr. Kaye). This "Section 16 Sub-Committee" approves awards of restricted AB Holding Units to NEOs to ensure we can utilize the short-swing trading exemption set forth in Section 16b-3 under the Exchange Act. Under this exemption, equity grants to our firm's executive officers are exempt from short-swing trading rules if each such grant is approved by the full Board or a committee of the Board consisting entirely of "non-employee" directors (generally, directors who are not officers of the company or an affiliate).

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 each of AB's and AB Holding's Form 10-K and, when applicable, proxy statements.

The Compensation Committee has developed a comprehensive process for:

- reviewing our executive compensation program to ensure it is aligned with our firm's philosophy and strategic objectives;
- evaluating performance by our NEOs against goals and objectives established in each executive's performance scorecard at the beginning of the year; and
- setting compensation for the NEOs and other senior executives.

The Compensation Committee's year-end process generally focuses on the cash bonuses and long-term incentive compensation awards granted to NEOs and other senior executives. Mr. Bernstein, working with Ms. Burke and other senior executives, provides recommendations for individual executive awards to the Compensation Committee for its consideration. As part of this process, and as we discuss more fully below in "*Compensation Consultant; Benchmarking Data*," Ms. Burke provides the Committee with competitive market data from one or more compensation consultants.

Management periodically reviews with the Compensation Committee the firm's expected adjusted financial and operating results, the firm's actual results and management's year-end compensation expectations, as they evolve throughout the year. Management accomplished these reviews during regular meetings of the Compensation Committee held in February, May, September, October and November 2022, as well as one special meeting held in July 2022. The Compensation Committee approved the firm's final year-end compensation recommendations during its regular meeting held in November 2022.

Additional information regarding the Compensation Committee's functions can be found in the Committee's charter, which is available online in the "Responsibility - Corporate Governance" section of our Internet Site.

Part III

Compensation Consultant; Benchmarking Data

In 2022, we retained McLagan Partners (“**McLagan**”) as an independent consultant to provide competitive market data and trend forecasting for our NEOs and other senior executives, for which we paid McLagan \$53,500 (the “**2022 Benchmarking Data**”). McLagan has an extensive database on compensation for most investment management companies, including private companies for which information is not otherwise available.

The 2022 Benchmarking Data summarized 2021 compensation levels and 2022 salaries, which helps form a reasonable estimation of compensation levels in the industry for executive positions like those held by our NEOs at selected asset management companies comparable to ours in terms of size and business mix (the “**Comparable Companies**”) and, in so doing, assists in determining the appropriate level of compensation for our NEOs.

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

Barings	Columbia Threadneedle	Franklin Tempelton Investments
Goldman Sachs Asset Management	Invesco	Janus Henderson Investors
Loomis, Sayles & Company	MFS Investment Management	Morgan Stanley Investment Management
Neuberger Berman Group	Nuveen Investments	Pacific Investment Management
Prudential Global Investment Mgmt.	Schroder Investment Management	T. Rowe Price

The 2022 Benchmarking Data indicated that, as a group, our NEOs fall within market range. Please note that we excluded Mr. Dibadj from this analysis as he left AB in March 2022 and, accordingly, did not receive year-end incentive compensation.

The Compensation Committee considered this information in concluding that the compensation levels paid in 2022 to our NEOs (other than Mr. Dibadj, who was not considered in this process) were appropriate and reasonable.

Compensation Elements for NEOs

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, a defined benefit plan and certain other benefits, each of which we *discuss below*:

Base Salaries

Base salaries comprise a relatively small portion of our NEOs’ total compensation. We consider individual experience, responsibilities and tenure with the firm when determining the narrow range of base salaries paid to our NEOs (*please refer to “Overview of Mr. Bernstein’s Employment Agreement” below* for information relating to Mr. Bernstein’s base salary and other compensation elements).

Annual Short-Term Incentive Compensation Awards (Cash Bonuses)

We provide our NEOs 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 NEOs because such bonuses typically are paid during the last week of the year.

Annual cash bonuses in respect of 2022 performance for each NEO were determined in November 2022 and paid in December 2022. These bonuses, and the 2022 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 NEO’s performance during the year, the firm’s progress in advancing its Growth Strategy during the year, the performance of the NEO’s business unit or function compared to business and operational goals established in each NEO’s performance scorecard at the beginning of the year, and the firm’s current-year financial performance.

In respect of 2022, Mr. Bernstein received a cash bonus of \$4,925,000 in accordance with the terms of the employment agreement into which he entered with the General Partner, AB and AB Holding as of May 1, 2017 (the “**CEO Employment Agreement**”) and after review of Mr. Bernstein’s performance during 2022 by the Compensation Committee. *Please refer to “Overview of Mr. Bernstein’s Employment Agreement” below* for additional information relating to Mr. Bernstein’s cash bonus and other compensation elements.

## Long-Term Incentive Compensation Awards

Long-term incentive compensation awards generally are denominated in restricted AB Holding Units. We utilize this structure to align our NEOs' 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 AUM and improved financial performance for the firm.

We believe that annual long-term incentive compensation awards provide a long-term retention mechanism for our NEOs because such awards generally vest ratably over time; awards granted in 2022 generally vest in equal portions over three years, while awards granted prior to 2021 generally vest over four years. We reduced the vesting period to three years for awards in 2021 to help ensure our compensation framework remains highly competitive.

For 2022 performance, awards were granted in December 2022 to each of Ms. Burke and Messrs. Bernstein, Erzan, Sprules, Manley and Siemers pursuant to the AB 2022 Incentive Compensation Award Program (the "**ICAP**"), an unfunded, non-qualified incentive compensation plan, and the AB 2017 Long Term Incentive Plan, our equity compensation plan (the "**2017 Plan**"). Mr. Dibadj, who resigned in March 2022, did not receive an award.

Prior to the date on which an award vests, the AB Holding Units underlying an award are restricted and are not permitted to be transferred. Upon vesting, the AB Holding Units underlying an award generally are delivered, unless the award recipient has, in advance, voluntarily elected to defer receipt to future periods or the award is structured with a delayed delivery date. Quarterly cash distributions on vested and unvested restricted AB Holding Units are delivered to award recipients when cash distributions are paid generally to Unitholders.

An award recipient who resigns or is terminated without cause prior to the vesting date is eligible to continue to vest in his or her long-term incentive compensation award subject to compliance with the restrictive covenants set forth in the applicable award agreement, including restrictions on competition, and restrictions on employee and client solicitation. Additionally, the award agreement provides for continued vesting in the event of an award recipient's retirement, subject to applicable restrictive covenants. To be eligible for retirement, an award recipient must provide notice of retirement, enter into a retirement agreement and satisfy a "Rule of 70," whereby the sum of the recipient's age and full years of service must equal at least 70.

### Clawbacks

The award agreement permits AB to claw-back the unvested portion of an award if the recipient fails to adhere to our 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."*

### Relocation-related Performance Awards

In April 2018, Ms. Burke and Mr. Sprules each was granted a special restricted AB Holding Unit award with a grant date fair value of \$4,000,000. Each award vested on December 1, 2022, and the underlying AB Holding Units were delivered promptly thereafter (net of AB Holding Units withheld to cover applicable taxes) given each executive continued to be employed by AB and each executive had established his or her principal residence in Nashville, TN. Additionally, the Compensation Committee, with input from Mr. Bernstein, determined during its regular meeting held in September 2022 that:

- our firm's headquarters relocation initiative has been executed without significant disruption or reputational damage to AB;
- AB's targets for cost savings and implementation costs for the relocation have been achieved; and
- the level of workplace talent and diversity in Nashville is satisfactory.

With respect to the above-referenced criteria, the Compensation Committee, with appropriate input from Mr. Bernstein, assessed achievement of the criteria both within the executive's business unit and with respect to our firm overall.

### Former CFO and Head of Strategy Resignation

As announced in a Form 8-K we filed on March 23, 2022, Mr. Dibadj resigned from AB on March 22, 2022. His responsibilities as CFO promptly were transitioned to Mr. Siemers on an interim basis and then to Ms. Burke, effective July 6, 2022.

The compensatory benefits Mr. Dibadj forfeited by resigning included (i) unvested portions of prior-year long-term incentive compensation awards, aggregating to approximately \$1.8 million in value (based on the closing price of an AB Holding Unit as of June 17, 2022, his official termination date taking into account the garden leave obligation provided in the ICAP award agreement); and (ii) the unvested portions of restricted stock unit awards and performance share awards granted to him by EQH in connection with his membership on and service to EQH's Management Committee, aggregating to approximately \$150,000 (based on the closing price of an EQH share as of June 17, 2022).

## Part III

### Defined Contribution Plan

U.S. employees of AB, including each of our NEOs, are eligible to participate in the Profit Sharing Plan for Employees of AB (as amended and restated as of January 1, 2015, and as further amended as of January 1, 2017, as of April 1, 2018, and as of June 28, 2022, the "**AB Profit Sharing Plan**"), a tax-qualified defined contribution 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).

With respect to 2022, the Compensation Committee determined in November 2022 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 paid by AB.

### Defined Benefit Plan

We maintain a qualified, noncontributory, defined benefit retirement plan (the "**AB 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 AB Retirement Plan) and primary Social Security benefits. Service and compensation after December 31, 2008 are not taken into account in determining participants' retirement benefits. Of our named executive officers, only Messrs. Sprules and Manley are eligible participants in the AB Retirement Plan.

The maximum annual benefit payable under the AB Retirement Plan may not exceed the lesser of \$100,000 or 100% of a participant's average aggregate compensation for the three consecutive years in which he or she received the highest aggregate compensation from us or such lower limit as may be imposed by the Internal Revenue Code of 1986, as amended (the "**Code**"), on certain participants by reason of their coverage under another qualified retirement plan we maintain. The AB Retirement Plan generally provides for payments to, or on behalf of, each vested employee upon such employee's retirement at the normal retirement age provided under the plan or later, although provision is made for payment of early retirement benefits on an "actuarially" reduced basis. Normal retirement age under the AB Retirement Plan is 65. Death benefits are payable to the surviving spouse of an employee who dies with a vested benefit under the AB Retirement Plan. For additional information regarding interest rates and actuarial assumptions, *see Note 18 to AB's consolidated financial statements in Item 8.*

A participant in the AB Retirement Plan is eligible for early retirement upon termination of employment if the participant is at least age 55 and the sum of the participant's age and years of vesting service equals at least 80. As of December 31, 2022, Mr. Sprules has attained age 49 and earned 25 years of vesting service. (For purposes of determining early retirement eligibility, years of service after benefits under the AB Retirement Plan ceased accruing are included.) Because Mr. Sprules is younger than age 55 and the sum of his age and service is less than 80, he is not eligible for early retirement. As of December 31, 2022, Mr. Manley has attained age 60 and earned 39 years of vesting service. Because the total of Mr. Manley's age and years of service exceeded 80, he is eligible for early retirement.

The early retirement benefit is "actuarially" reduced for each month that payments begin before age 65. The reduction to the pension is made because it costs more money to provide payments over a longer period of time. In other words, the monthly benefit commencing at the early retirement date has the same value as a monthly benefit beginning at age 65. The actuarial adjustment factors are based on the mortality assumptions specified under Section 417(e) of the Code and a 6.0% interest rate, as specified in the AB Retirement Plan. For example, a 60 year old participant (like Mr. Manley) would receive approximately 66% of the accrued benefit that would have been payable at age 65.

### Other Benefits

#### Change in Control Plan

In December 2020, the Compensation Committee approved the AllianceBernstein Change in Control Plan for Executive Officers (the "**CiC Plan**"). The purpose of the CiC Plan is to provide certain benefits for each individual designated by our CEO as an executive officer (an "**Executive Officer**") in the event of a change in control ("**CiC**") of AB. The CiC Plan contains a change in control provision substantially similar to the change in control provision included in Mr. Bernstein's employment agreement (*as described below in "Overview of Mr. Bernstein's Employment Agreement"*). The provisions under the CiC Plan also are described in a compensatory table below entitled, "*Potential Payments upon Termination or Change in Control.*"

The CiC Plan provides that, in the event of a CiC, unless prior to the CiC, any unvested restricted unit awards (including ICAP awards) then held by an Executive Officer are honored or assumed, or new rights are substituted therefore, so that the Executive Officer's rights and entitlements after the CiC are substantially equivalent to or better than the Executive Officer's rights and entitlements under the award, each award will, prior to the CiC, immediately and fully vest and no longer be subject to forfeiture.

In addition, (i) if the Executive Officer's employment is terminated by AB, other than for cause, (ii) the Executive Officer resigns with good reason (as defined in the CiC Plan), or (iii) the Executive Officer dies or becomes disabled, within 12 months following a CiC, the Executive Officer will be entitled to receive the sum of (a) the Executive Officer's annual base salary at the time of his or her termination, and (b) the Executive Officer's most recent annual cash incentive compensation award, multiplied by two.

The CIC Plan defines CIC to include any transaction as a result of which EQH ceases to control AB, or a successor entity that conducts the business of AB. However, there would not be a CIC unless, as a result of the transaction, an entity other than EQH controls AB (or a successor to its business).

#### Life Insurance

Our firm pays the premiums associated with life insurance policies purchased on behalf of our NEOs.

## Consideration of Risk Matters in Determining Compensation

In 2022, we considered whether our compensation practices for employees, including our NEOs, 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 "Long-Term Incentive Compensation Awards,"* long-term incentive compensation awards generally are 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 the award in restricted AB Holding Units and deferring their delivery is intended to sensitize employees to risk outcomes and discourage them from taking excessive risks, whether relating to investments, operations, regulatory compliance and/or cyber security, that could lead to a decrease in the value of the AB Holding Units and/or an adverse effect on the firm's long-term prospects. Furthermore, *and as noted above in "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 if the Compensation Committee determines that (i) the employee failed to adhere to 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 Mr. Bernstein's Employment Agreement

Pursuant to the CEO Employment Agreement, Mr. Bernstein served as our President and CEO for an initial term that commenced on May 1, 2017 and ended on May 1, 2020. The initial term automatically was extended for one additional year on May 1, 2020 and automatically extends each May thereafter, unless the CEO Employment Agreement is terminated in accordance with its terms (the "**Employment Term**").

The terms of the CEO Employment Agreement were the result of arm's length negotiations between Mr. Bernstein and senior executives at AXA S.A., formerly AB's ultimate parent company ("**AXA**"), and EQH. The Board then approved the CEO Employment Agreement after having considered, among other things, the compensation package provided to Mr. Bernstein's predecessor, the 2016 compensation and 2017 expected compensation of AB's other executive officers and Mr. Bernstein's compensation at his former employer.

The Compensation Committee, during its regular meeting held in December 2018, amended the CEO Employment Agreement such that any annual equity award granted to Mr. Bernstein in 2018 and subsequent years during the Employment Term will be granted in all respects in accordance with AB's compensation practices and policies generally applicable to AB's executive officers as in effect from time to time (the "**SPB First Amendment**").

Additionally, the Compensation Committee, during its regular meeting held in December 2019, further amended the CEO Employment Agreement by:

- increasing Mr. Bernstein's severance payments if his employment is terminated involuntarily, without cause, from one year's base salary and bonus to one and a half year's base salary and bonus;
- excluding from the definition of change in control AB Holding ceasing to be publicly traded;
- removing from the circumstances that give rise to Mr. Bernstein's ability to terminate the agreement for "good reason" his ceasing to be the CEO of a publicly traded entity; and
- eliminating Mr. Bernstein's entitlement to a gross-up for any excise tax on his parachute payments, which would have been pertinent only if Mr. Bernstein had been terminated involuntarily prior to December 31, 2019.

## Elements of Mr. Bernstein's Compensation

### Base Salary

Mr. Bernstein's annual base salary under the CEO Employment Agreement has been, and continues to be, \$500,000. This amount 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. Bernstein's base salary is entirely at the discretion of the Compensation Committee.

## Part III

### Cash Bonus

Under the CEO Employment Agreement, Mr. Bernstein is entitled to be paid a cash bonus at a target level of \$3,000,000 in each year during the Employment Term, subject to review and increase from time to time by the Compensation Committee, in its sole discretion. As a result of a review of Mr. Bernstein's performance during 2022 by the Compensation Committee, Mr. Bernstein was paid a cash bonus of \$4,925,000. In determining Mr. Bernstein's cash bonus, the Compensation Committee considered the progress AB made in advancing its Growth Strategy, Mr. Bernstein's performance in light of the target metrics included in his performance scorecard and Mr. Bernstein's individual achievements during 2022, *as described above*.

### Restricted AB Holding Units

Commencing in 2018 and during the remainder of the Employment Term, Mr. Bernstein is eligible to receive annual equity awards with a grant date fair value equal to \$3,500,000, subject to review and increase by the Compensation Committee, in its sole discretion, in accordance with AB's compensation practices and policies generally applicable to the firm's executive officers as in effect from time to time. The Compensation Committee approved an equity award to Mr. Bernstein with a grant date fair value equal to \$4,575,000 during November 2022. The Compensation Committee determined Mr. Bernstein's equity award based on the review process *described above*. As a result of the SPB First Amendment, the equity award granted to Mr. Bernstein in December 2022 is subject to the same ICAP-related terms and conditions as awards granted to other executive officers at that time, which terms and conditions are *described above in "Compensation Elements for NEOs - Long-Term Incentive Compensation Awards."*

### Perquisites and Benefits

Under the CEO Employment Agreement, Mr. Bernstein is eligible to participate in all benefit plans available to executive officers and, for his safety and accessibility, a company car and driver for business and personal use.

### Severance and Change in Control Benefits

The CEO Employment Agreement includes severance and change-in-control provisions, *which are highlighted below*. These provisions also are described in a compensatory table below entitled, "*Potential Payments upon Termination or Change in Control*." We believe that these severance and change-in-control provisions assist in retaining our CEO and, in the event of a change in control, provide protection to Mr. Bernstein so he is not distracted by personal or financial situations at a time when AB needs him to remain focused on his responsibilities.

If Mr. Bernstein is terminated without "cause" or resigns for "good reason" (as such terms are defined in the CEO Employment Agreement), and he signs and does not revoke a waiver and release of claims, he will receive the following:

- A cash payment equal to (a) the sum of his current base salary and his bonus opportunity amount, multiplied by one (1), if Mr. Bernstein resigns for "good reason," or (b) the sum of his current base salary and his bonus opportunity amount, multiplied by one and a half (1.5), if Mr. Bernstein's employment is terminated other than for "cause," or because of his death or disability;
- a pro rata bonus based on actual performance for the fiscal year in which the termination occurs;
- monthly payments equal to the cost of COBRA coverage for the COBRA coverage period; and
- following the COBRA coverage period, access to participation in AB's medical plans as in effect from time to time at Mr. Bernstein's (or his spouse's) sole expense.

If, during the 12 months following a change in control, Mr. Bernstein is terminated without cause or resigns for good reason, he will receive the amounts *described above*, except that he will receive a cash payment equal to two (2) times the sum of his current base salary and his bonus opportunity amount.

In the event any payments constitute "golden parachute payments" within the meaning of Section 280G of the Code and would be subject to an excise tax imposed by Section 4999 of the Code, such payments will be reduced to the maximum amount that does not result in the imposition of such excise tax, but only if such reduction results in Mr. Bernstein receiving a higher net-after tax amount than he would receive absent such reduction.

Mr. Bernstein is subject to a confidentiality provision, in addition to covenants with respect to non-competition during his employment and six months thereafter and non-solicitation of customers and employees for 12 months following his termination of employment.

A change in control is defined as, among other things, EQH and its majority-owned subsidiaries ceasing to control the election of a majority of the Board.

Mr. Bernstein negotiated the severance and change-in-control provisions *described immediately above* to have the security and flexibility to focus on the business and preserve the value of his long-term incentive compensation. The Board, AXA and EQH

determined that these provisions were reasonable and appropriate because they were necessary to recruit and retain Mr. Bernstein and provided Mr. Bernstein with effective incentives for future performance.

The Board, AXA and EQH also concluded that the change-in-control and termination provisions in the CEO Employment Agreement fit within AB's overall compensation objectives because these provisions, which align with AB's goal of providing its executives with effective incentives for future performance, also:

- permitted AB to recruit and retain a highly-qualified CEO;
- aligned Mr. Bernstein's long-term interests with those of AB's Unitholders and clients;
- were consistent with AXA's, EQH's and the Board's expectations with respect to the manner in which AB and AB Holding would be operated during Mr. Bernstein's tenure; and
- were consistent with the Board's expectations that Mr. Bernstein 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 awarded by EQH to Mr. Bernstein, Ms. Burke, Mr. Erzan and Mr. Dibadj

In February 2022, EQH granted to Mr. Bernstein, in connection with his membership on and service to the EQH Management Committee:

- a restricted stock unit award (for EQH common stock) with a grant date fair value of \$400,033; and
- a performance share award (for EQH common stock) with a grant date fair value of \$600,029, which can be earned subject to EQH's total shareholder return relative to its peer group.

Additionally, in February 2022, EQH granted to each of Ms. Burke, Mr. Erzan and Mr. Dibadj, in connection with their membership on and service to the EQH Management Committee:

- a restricted stock unit award (for EQH common stock) with a grant date fair value of \$40,021; and
- a performance share award (for EQH common stock) with a grant date fair value of \$60,014, which can be earned subject to EQH's total shareholder return relative to its peer group.

Assumptions made in determining the EQH restricted stock unit and performance share figures *discussed above* are described in footnotes to the compensatory tables below entitled "Summary Compensation Table for 2022" and "Grants of Plan-Based Awards in 2022."

Mr. Bernstein, Ms. Burke and Mr. Erzan may receive additional equity or cash compensation from EQH in the future related to their continued membership on and service to the EQH Management Committee. Mr. Dibadj, who resigned as our firm's CFO and Head of Strategy in March 2022 (and from the EQH Management Committee), forfeited his awards and is ineligible for additional awards.

### CEO Pay Ratio

In 2022, the compensation of Mr. Bernstein, our President and CEO, was approximately 71 times the median pay of our employees, resulting in a **71:1** CEO Pay Ratio.

We identified our median employee by examining 2022 total compensation for all individuals, excluding Mr. Bernstein, who were employed by our firm as of December 31, 2022, the last day of our payroll year. We included all of our employees in this process, whether employed on a full-time or part-time basis. We did not make any assumptions or estimates with respect to total compensation, but we did adjust compensation paid to our non-U.S. employees during our 2022 fiscal year based on the average monthly exchange rates for the three-month period ending September 30, 2022 (data compiled in fourth quarter) between the local currencies in which such employees are paid and U.S. dollars. We define "total compensation" as the aggregate of base salary (plus overtime, as applicable), commissions (as applicable), cash bonus and the grant date fair value of long-term incentive compensation awards.

After identifying the median employee based on total compensation, we calculated total compensation in 2022 for such employee using the same methodology we use for our NEOs *as set forth below in the Summary Compensation Table for 2022*.

As illustrated in the table below, our 2022 CEO Pay Ratio is **71:1**:

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	<b>Seth Bernstein</b>	<b>Median Employee</b>
Base salary (\$)	500,000	137,500
Cash bonus (\$)	4,925,000	17,500
Stock awards (\$) <sup>(1)</sup>	5,575,062	—
All other compensation (\$) <sup>(2)</sup>	277,777	3,438
<b>Total (\$)</b>	<b>11,277,839</b>	<b>158,438</b>
<b>2022 CEO Pay Ratio</b>	<b>71:1</b>	

<sup>(1)</sup> Includes (i) an award granted by AB of restricted AB Holding Units with a grant date fair value of \$4,575,000 and (ii) awards granted by EQH with an aggregate grant date fair value of \$1,000,062, as more fully described above in "Compensation awarded by EQH to Mr. Bernstein." For additional information, please refer to the compensatory tables below in this Item 11.

<sup>(2)</sup> For a description of Mr. Bernstein's other compensation, please refer to the Summary Compensation Table for 2022 below. The median employee's other compensation consists of a \$3,438 match under the AB Profit Sharing Plan.

**Other Compensation-Related Matters**

AB and AB Holding are, respectively, private and public limited partnerships. They are subject to taxes other than federal and state corporate income tax (see "Structure-related Risks" in Item 1A and Note 21 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 an entity taxed as a corporation, is not applicable to either AB or AB Holding for 2022.

**Compensation Committee Interlocks and Insider Participation**

Mr. Pearson is a director and the President and CEO of EQH, the parent company of the General Partner.

No executive officer of AB serves as (i) a member of a compensation committee or (ii) a director of another entity, an executive officer of which serves as a member of AB's Compensation Committee.

**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.

**Kristi Matus (Chair)**

**Daniel Kaye**

**Mark Pearson**

# Summary Compensation Table for 2022

Total compensation of our NEOs for 2022, 2021 and 2020, as applicable, is as follows:

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards <sup>(1)</sup> (2) (\$)	Option Awards <sup>(3)</sup> (\$)	Pension (\$)	All Other Compensation (\$)	Total (\$)
<b>Seth Bernstein<sup>(4)(5)</sup></b> President and CEO	2022	500,000	4,925,000	5,575,062	—	—	277,777	11,277,839
	2021	500,000	5,575,000	6,075,000	—	—	142,813	12,292,813
	2020	500,000	4,015,000	4,585,051	250,003	—	52,509	9,402,563
<b>Kate Burke<sup>(6)</sup></b> COO and CFO	2022	400,000	2,050,000	1,700,035	—	—	16,216	4,166,251
	2021	400,000	2,275,000	1,925,000	—	—	15,455	4,615,455
	2020	300,000	1,665,000	1,285,000	—	—	19,517	3,269,517
<b>Onur Erzan<sup>(6)(7)</sup></b> Head of Global Client Group and Private Wealth	2022	400,000	1,955,851	1,605,886	—	—	11,017	3,972,754
<b>Karl Sprules<sup>(8)</sup></b> Head of Global Technology and Operations	2022	400,000	1,555,000	1,105,000	—	122,835	17,860	3,200,695
	2021	400,000	1,725,000	1,275,000	—	—	42,040	3,442,040
<b>Mark Manley<sup>(7)</sup></b> Global Head of Compliance and General Counsel	2022	300,000	780,000	345,000	—	482,194	26,898	1,934,092
<b>Bill Siemers<sup>(7)</sup></b> Controller and Chief Accounting Officer (and Former Interim CFO)	2022	300,000	525,000	1,175,034	—	—	17,340	2,017,374
<b>Ali Dibadj<sup>(6)(9)</sup></b> Former CFO & Head of Strategy	2022	195,385	—	100,035	—	—	291	295,711
	2021	400,000	2,025,000	1,675,000	—	—	15,130	4,115,130
	2020	400,000	945,000	665,000	—	—	14,880	2,024,880

<sup>(1)</sup> 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 the AB Holding Unit award values, see Note 19 to AB's consolidated financial statements in Item 8. Assumptions made in determining the EQH restricted stock unit and performance share figures in the "Stock Awards" column are set forth in the EQH 2022 Long-Term Incentive Compensation Program and described in a footnote to the "Grants of Plan-Based Awards in 2022" table below.

<sup>(2)</sup> See "Grants of Plan-Based Awards in 2022" below.

<sup>(3)</sup> The figures in the "Option Awards" column provides the grant date fair values of Mr. Bernstein's award (which was issued by EQH) calculated in accordance with FASB ASC Topic 718. The fair value of EQH stock options is calculated by EQH using the Black-Scholes option pricing model. The expected EQH dividend rate is based on market consensus. EQH share price volatility is estimated on the basis of implied volatility, which is checked by EQH against an analysis of historical volatility to ensure consistency. The effect of expected early exercise is accounted for through the use of an expected life assumption based on historical data.

<sup>(4)</sup> See "Overview of Mr. Bernstein's Employment Agreement" and "Compensation Awarded by EQH to Mr. Bernstein, Ms. Burke, Mr. Erzan and Mr. Dibadj" above in CD&A for a description of Mr. Bernstein's compensatory elements. Please be advised that Mr. Bernstein's compensation also is disclosed by EQH.

<sup>(5)</sup> The "Stock Awards" column for 2022 includes the grant date fair value of the restricted stock award (grant date fair value of \$400,033) and the performance share award (grant date fair value of \$600,029) Mr. Bernstein received from EQH in February 2022. For 2021, this column includes the grant date fair value of the restricted stock unit award (grant date fair value of \$340,000) and the performance share award (grant date fair value of \$510,000) Mr. Bernstein received from EQH in February 2021. For 2020, this column includes the grant date fair value of the restricted stock unit award (grant date fair value of \$250,019) and the performance share award (grant date fair value of \$500,031) Mr. Bernstein received from EQH in February 2020.

<sup>(6)</sup> The "Stock Awards" column for 2022 includes the grant date fair value of the restricted stock unit award (grant date fair value of \$40,021) and the performance share award (grant date fair value of \$60,014) Ms. Burke, Mr. Erzan and Mr. Dibadj each received from EQH in February 2022. For 2021, this column includes the grant date fair value of the restricted stock unit award (grant date fair value of \$40,000) and the performance share award (grant date fair value of \$60,000) Ms. Burke and Mr. Dibadj each received from EQH in February 2021.

# Part III

<sup>(7)</sup> We have not provided 2021 or 2020 compensation for Messrs. Erzan, Manley or Siemers; they were not deemed NEOs in those years.

<sup>(8)</sup> We have not provided 2020 compensation for Mr. Sprules as he was not deemed to be a NEO in that year.

<sup>(9)</sup> Mr. Dibadj resigned as our firm's CFO and Head of Strategy in March 2022 to become the CEO at another publicly traded company. As a result, he forfeited the EQH awards granted to him in 2022 and the unvested portions of the EQH awards granted to him in 2021.

The "All Other Compensation" column includes the aggregate incremental cost to our company of certain other expenses and perquisites. For 2022, this column includes the following:

Name	Personal Use of Car and Driver (\$)	Contributions to Profit Sharing Plan (\$)	Life Insurance Premiums (\$)	Other <sup>(2)</sup> (\$)
<a href="#">Seth Bernstein</a>	258,939 <sup>(1)</sup>	15,250	3,564	24
<a href="#">Kate Burke</a>	—	15,250	966	—
<a href="#">Onur Erzan</a>	—	10,000	630	387
<a href="#">Karl Sprules</a>	—	15,250	2,610	—
<a href="#">Mark Manley</a>	—	15,000	11,484	414
<a href="#">Bill Siemers</a>	—	15,000	1,980	360
<a href="#">Ali Dibadj</a>	—	—	291	—

<sup>(1)</sup> The amount reflects the incremental cost to us attributable to commuting and other non-business use. We made available to Mr. Bernstein a car and driver for security and business purposes. Car and driver services were contracted through a third party. The cost of providing a car is determined annually and includes, as applicable, driver compensation, annual car lease, insurance cost and various miscellaneous expenses such as fuel and car maintenance.

<sup>(2)</sup> These amounts represent stipends paid to NEOs to help cover the cost of a mobile phone; these stipends are paid to employees generally as well.

## Grants of Plan-Based Awards in 2022

Grants of awards under the 2017 Plan, our equity compensation plan, during 2022 made to our NEO are as follows (we also discuss awards issued by EQH to Mr. Bernstein, Ms. Burke, Mr. Erzan and Mr. Dibadj):

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock Awards <sup>(1)</sup> (\$)	Performance Based EQH Awards <sup>(3)</sup>		
				Threshold (#)	Target (#)	Maximum (#)
Seth Bernstein <sup>(2)(3)</sup>	12/12/2022	117,791	4,575,000			
	2/16/2022	11,565	400,033			
	2/16/2022	16,217	600,029	4,054	16,217	32,434
Kate Burke <sup>(2)(3)</sup>	12/12/2022	41,195	1,600,000			
	2/16/2022	1,157	40,021			
	2/16/2022	1,622	60,014	406	1,622	3,244
Onur Erzan <sup>(2)(3)</sup>	12/12/2022	38,771	1,505,851			
	2/16/2022	1,157	40,021			
	2/16/2022	1,622	60,014	406	1,622	3,244
Karl Sprules <sup>(2)</sup>	12/12/2022	28,450	1,105,000			
Mark Manley <sup>(2)</sup>	12/12/2022	8,883	345,000			
Bill Siemers <sup>(2)(5)</sup>	12/12/2022	4,506	175,000			
	3/24/2022	21,873	1,000,034			
Ali Dibadj <sup>(3)(4)</sup>	2/16/2022	1,157	40,021			
	2/16/2022	1,622	60,014			

<sup>(1)</sup> This column provides the aggregate grant date fair value of the awards calculated in accordance with FASB ASC Topic 718. For the assumptions made in determining the AB Holding Unit values, see Note 19 to AB's consolidated financial statements in Item 8.

<sup>(2)</sup> As discussed above in "Overview of 2022 Incentive Compensation Program" and "Compensation Elements for NEOs—Long-Term Incentive Compensation Awards," long-term incentive compensation awards granted in December 2022 to our NEOs were denominated in restricted AB Holding Units. These awards vest in equal annual increments on each of December 1, 2023, 2024 and 2025. These awards are shown in the "All Other Stock Awards" column of this table, the "Stock Awards" column of the Summary Compensation Table for 2022 and the "AB Holding Unit Awards" columns of the Outstanding Equity Awards at 2022 Fiscal Year-End Table.

<sup>(3)</sup> In February 2022, EQH granted to each of Mr. Bernstein, Ms. Burke, Mr. Erzan and Mr. Dibadj (i) a restricted stock unit award with a grant date fair value of \$400,033, \$40,021, \$40,021, and \$40,021, respectively, and (ii) a performance share award with a grant date fair value of \$600,029, \$60,014, \$60,014 and \$60,014, respectively, which can be earned subject to EQH's total shareholder return ("TSR") relative to its peer group. TSR is the total amount a company returns to investors during a designated period, including both capital gains and dividends. The number of performance shares that are earned will be determined at the end of the performance period (December 2024) by multiplying the number of unearned performance shares by one of the following performance factors: 200% if EQH's TSR relative to its peers is in the 87.5th percentile or greater; 100% if in the 50th percentile; 25% if in the 30th percentile; and nothing if falls below the 30th percentile. EQH performance shares receive dividend equivalents subject to the same vesting schedule and performance conditions as the performance shares themselves. The restricted stock unit awards, which vest in equal annual increments on each of February 28, 2023, 2024 and 2025, subject to continued service, increase or decrease in value depending on the price of an EQH common share. EQH restricted stock units receive dividend equivalents subject to the same vesting schedule and other requirements.

<sup>(4)</sup> Mr. Dibadj forfeited these awards.

<sup>(5)</sup> The award granted to Mr. Siemers in March 2022 cliff vests in February 2024 subject to Mr. Siemers's continued employment.

In 2022, the number of restricted AB Holding Units comprising year-end long-term incentive compensation awards granted to each NEO was determined based on the closing price of an AB Holding Unit as reported for NYSE composite transactions on December 12, 2022, the date as of which the Compensation Committee approved the awards. At the time of these awards, the Compensation Committee consisted of Ms. Matus (Chair) and Messrs. Kaye and Pearson; the Section 16 Subcommittee, which approved awards to our NEOs, consisted of Ms. Matus (Chair) and Mr. Kaye. For further information regarding the material terms of such awards, including the vesting terms and the formulas or criteria to be applied in determining the amounts payable, please refer to "Overview of 2022 Incentive Compensation Program" and "Compensation Elements for NEOs" above.

# Part III

## Outstanding Equity Awards at 2022 Fiscal Year-End

Outstanding equity awards held by our NEOs as of December 31, 2022 are as follows:

Name	Option Awards				AB Holding Unit and/or EQH Awards	
	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 <sup>(12)</sup> (\$)
Seth Bernstein <sup>(1)(2)(3)(5)</sup>	65,446	—	\$ 18.74	2/14/2029	280,690	9,647,310
	38,140	19,069	23.18	2/26/2030	24,308	697,634
	—	—	—	—	35,427	1,016,755
Kate Burke <sup>(4)(5)(6)</sup>	—	—	—	—	94,095	3,234,029
	—	—	—	—	2,192	62,909
	—	—	—	—	923	26,490
Onur Erzan <sup>(4)(5)(7)</sup>	—	—	—	—	137,265	4,717,805
	—	—	—	—	2,192	62,909
	—	—	—	—	923	26,490
Karl Sprules <sup>(8)</sup>	—	—	—	—	72,205	2,481,682
Mark Manley <sup>(9)</sup>	—	—	—	—	21,800	749,269
Bill Siemers <sup>(10)</sup>	—	—	—	—	31,760	1,091,585
Ali Dibadj <sup>(11)</sup>	—	—	—	—	—	—

<sup>(1)</sup> Mr. Bernstein was awarded: (i) 117,791 restricted AB Holding Units in December 2022 that are scheduled to vest in equal increments on each December 1, 2023, 2024 and 2025; (ii) 102,572 restricted AB Holding Units in December 2021, one-third of which vested on December 1, 2022, and the remainder of which is scheduled to vest in equal increments on each of December 1, 2023 and 2024; (iii) 119,471 restricted AB Holding Units in December 2020, of which 25% vested on each of December 1, 2021 and 2022, and the remainder of which is scheduled to vest in equal increments on each of December 1, 2023 and 2024; and (iv) 139,131 restricted AB Holding Units in December 2019, of which 25% vested on each of December 1, 2020, 2021 and 2022, and the remainder of which is scheduled to vest on December 1, 2023. For further information, see "Overview of Mr. Bernstein's Employment Agreement" above.

<sup>(2)</sup> EQH restricted stock unit awards, which are described for Mr. Bernstein in the second line of data in the above table, will vest ratably over their three-year vesting period subject to continued employment during the vesting period. EQH performance share awards, which are described in the third line of data in the above table, cliff vest on the third anniversary of grant date subject to meeting the applicable performance criteria. In February 2022, 2021 and 2020, EQH granted to Mr. Bernstein (i) a restricted stock unit award with a grant date fair value of \$400,033, \$340,000 and \$250,019, respectively, and (ii) a performance share award with a grant date fair value of \$600,029, \$510,000 and \$500,031, respectively. The performance share awards granted in 2022 and 2021 can be earned subject to EQH's TSR relative to its peer group. Approximately half of the performance share award granted in 2020 can be earned subject to EQH's performance against specified non-GAAP financial targets (specifically, non-GAAP return-on-equity targets), while the other half has been earned subject to EQH's TSR relative to its peer group. *Please see the table above entitled "Grants of Plan-Based Awards in 2022" for additional information regarding the EQH awards.*

<sup>(3)</sup> The option awards described in the table were issued by EQH and calculated in accordance with FASB ASC Topic 718. The fair value of EQH stock options is calculated by EQH using the Black-Scholes option pricing model. The expected EQH dividend rate is based on market consensus. EQH share price volatility is estimated on the basis of implied volatility, which is checked by EQH against an analysis of historical volatility to ensure consistency. The effect of expected early exercise is accounted for through the use of an expected life assumption based on historical data.

<sup>(4)</sup> EQH restricted stock unit awards, which are described for each of Ms. Burke and Mr. Erzan in their respective second lines of data in the above table, will vest ratably over their three-year vesting period subject to continued employment during the vesting period. EQH performance share awards, which are described in the third line of data in the above table, cliff vest on the third anniversary of grant date subject to meeting the applicable performance criteria. In February 2022 and 2021, respectively, EQH granted to each of Ms. Burke and Mr. Erzan (i) a restricted stock unit award with a grant date fair value of \$40,021 and \$40,000, respectively and (ii) a performance share award with a grant date fair value of \$60,014 and \$60,000, respectively, which can be earned subject to EQH's total shareholder return relative to its peer group. *Please see the table above entitled "Grants of Plan-Based Awards in 2022" for additional information regarding the EQH awards.*

<sup>(5)</sup> For further information regarding the equity awards granted to Mr. Bernstein, Ms. Burke and/or Mr. Erzan by EQH, *please see "Compensation awarded by EQH to Mr. Bernstein, Ms. Burke, Mr. Erzan and Mr. Dibadj" above in CD&A.*

- (6) Ms. Burke was awarded: (i) 41,195 restricted AB Holding Units in December 2022 that are scheduled to vest in equal increments on each of December 1, 2023, 2024 and 2025; (ii) 35,827 restricted AB Holding Units in December 2021, one-third of which vested on December 1, 2022, and the remainder of which is scheduled to vest in equal increments on each of December 1, 2023 and 2024; (iii) 40,032 restricted AB Holding Units in December 2020, of which 25% vested on each of December 1, 2021 and 2022, and the remainder of which is scheduled to vest in equal increments on each of December 1, 2023 and 2024; and (iv) 36,000 restricted AB Holding Units in December 2019, of which 25% vested on each of December 1, 2020, 2021 and 2022, and the remainder of which is scheduled to vest on December 1, 2023.
- (7) Mr. Erzan was awarded 38,771 restricted AB Holding Units in December 2022 that are scheduled to vest in equal increments on each of December 1, 2023, 2024 and 2025. The total AB Holding Unit figure set forth in the table includes AB Holding Units granted in a year prior to when Mr. Erzan was deemed to be a NEO.
- (8) Mr. Sprules was awarded (i) 28,450 restricted AB Holding Units in December 2022 that are scheduled to vest in equal increments on each of December 1, 2023, 2024 and 2025; and (ii) 25,030 restricted AB Holding Units in December 2021, of which one-third vested on December 1, 2022, and the remainder of which is scheduled to vest in equal increments on each of December 1, 2023 and 2024. The total AB Holding Unit figure set forth in the table includes AB Holding Units granted in years prior to when Mr. Sprules was deemed to be a NEO.
- (9) Mr. Manley was awarded 8,883 restricted AB Holding Units in December 2022 that are scheduled to vest in equal increments on each of December 1, 2023, 2024 and 2025. The total AB Holding Unit figure set forth in the table includes AB Holding Units granted in years prior to when Mr. Manley was deemed to be a NEO.
- (10) Mr. Siemers was awarded: (i) 4,506 restricted AB Holding Units in December 2022 that are scheduled to vest in equal increments on each of December 1, 2023, 2024 and 2025; and (ii) 21,873 restricted AB Holding Units in March 2022 that are scheduled to cliff vest in February 2024. The total AB Holding Unit figure set forth in the table includes AB Holding Units granted in years prior to when Mr. Siemers was deemed to be a NEO.
- (11) Mr. Dibadj had no outstanding awards as of December 31, 2022, because he forfeited his unvested AB Holding Unit and EQH share awards as a result of his resignation in March 2022.
- (12) The market values of restricted AB Holding Units set forth in this column were calculated assuming a price per AB Holding Unit of \$34.37, which was the closing price on the NYSE of an AB Holding Unit on December 30, 2022, the last trading day of AB's last completed fiscal year. The market values of EQH shares set forth in this column were calculated assuming a price per share of \$28.70, which was the closing price on the NYSE of an EQH share on December 30, 2022.

## Option Exercises and AB Holding Units (and EQH Shares) Vested in 2022

AB Holding Units and EQH shares held by our NEOs that vested during 2022 are as follows:

Name	AB Holding and EQH Option Awards		AB Holding Unit and EQH Share Awards	
	Number of AB Holding Units or EQH Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of AB Holding Units or EQH Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
<a href="#">Seth Bernstein<sup>(1)</sup></a>	—	—	199,915	7,698,133
<a href="#">Kate Burke<sup>(2)</sup></a>	—	—	187,363	7,621,786
<a href="#">Onur Erzan<sup>(2)</sup></a>	—	—	12,142	490,290
<a href="#">Karl Sprules</a>	—	—	184,363	7,503,554
<a href="#">Mark Manley</a>	—	—	46,384	1,887,811
<a href="#">Bill Siemers</a>	—	—	21,291	866,562
<a href="#">Ali Dibadj<sup>(2)</sup></a>	—	—	489	16,001

<sup>(1)</sup> Includes 63,607 EQH shares with a value of \$2,150,398 that vested during 2022.

<sup>(2)</sup> Includes 489 EQH shares with a value of \$16,001 that vested during 2022.

## Part III

# Pension Benefits

Name	Plan Name	Number of Years of Credited Service <sup>(2)</sup>	Present Value of Accumulated Benefit <sup>(3)</sup>	Payments During Last Fiscal Year
<b>Karl Sprules</b> <sup>(1)</sup>	AB Retirement Plan	11	122,835	—
<b>Mark Manley</b> <sup>(1)</sup>	AB Retirement Plan	25	482,194	—

<sup>(1)</sup> We have provided information for Messrs. Sprules and Manley; they are the only of our NEOs who participate in the AB Retirement Plan. For additional information regarding the AB Retirement Plan, including actuarial assumptions and potential early retirement benefits, see "Defined Benefit Plan" above in CD&A and Note 18 to AB's consolidated financial statements in Item 8 of this Form 10-K.

<sup>(2)</sup> Effective December 31, 2008, benefit accruals were frozen under the AB Retirement Plan.

<sup>(3)</sup> Actuarial present value of accumulated benefits as of December 31, 2022 using assumptions consistent with ASC 715 calculations, with the following exceptions: (i) retirement age assumed to be the Nominal Retirement Age (as defined in the AB Retirement Plan); and (ii) no pre-retirement mortality, disability or termination assumed.

# Potential Payments upon Termination or Change in Control

Estimated payments and benefits to which our NEOs would have been entitled upon a change in control of AB or the specified qualifying events of termination of employment as of December 31, 2022 are as follows:

Name and Trigger Event	Cash Payments <sup>(1)</sup> (\$)	Acceleration of Restricted AB Holding Unit Awards <sup>(2)</sup> (\$)	Other Benefits <sup>(3)</sup> (\$)
<b>Seth Bernstein</b>			
Change in control	—	9,647,310	—
Termination by Mr. Bernstein for good reason <sup>(4)</sup>	3,500,000	9,647,310	19,279
Termination of Mr. Bernstein's employment by AB other than for Cause or due to Death or Disability <sup>(5)(6)(7)</sup>	5,250,000	9,647,310	19,279
Change in control + termination by Mr. Bernstein for good reason or termination of Mr. Bernstein's employment without cause <sup>(4)</sup>	7,000,000	9,647,310	19,279
Resignation (complies with applicable agreements and restrictive covenants) under ICAP <sup>(8)</sup>	—	9,647,310	—
Death or disability <sup>(7)</sup>	—	9,647,310	19,279
<b>Kate Burke</b>			
Change in control	—	3,234,029	—
Change in control + employment terminated by AB other than for cause, termination by Ms. Burke for good reason, or termination due to death or disability	4,900,000	3,234,029	—
Resignation, retirement or termination by AB without cause (complies with applicable agreements and restrictive covenants) under ICAP; death or disability under ICAP <sup>(7)(8)</sup>	—	3,234,029	—
<b>Onur Erzan</b>			
Change in control	—	4,717,805	—
Change in control + employment terminated by AB other than for cause, termination by Mr. Erzan for good reason, or termination due to death or disability	4,711,702	4,717,805	—
Resignation, retirement or termination by AB without cause (complies with applicable agreements and restrictive covenants) under ICAP; death or disability under ICAP; excludes 2021 RSU award <sup>(7)(8)</sup>	—	2,133,593	—
Termination by AB without cause; death or disability (2021 RSU award)	—	1,029,850	—

Name and Trigger Event	Cash Payments <sup>(1)</sup> (\$)	Acceleration of Restricted AB Holding Unit Awards <sup>(2)</sup> (\$)	Other Benefits <sup>(3)</sup> (\$)
<b>Karl Sprules</b>			
Change in control	—	2,481,682	—
Change in control + employment terminated by AB other than for cause, termination by Mr. Sprules for good reason, or termination due to death or disability	3,910,000	2,481,682	—
Resignation, retirement or termination by AB without cause (complies with applicable agreements and restrictive covenants) under ICAP; death or disability under ICAP <sup>(7)(8)</sup>	—	2,481,682	—
<b>Mark Manley</b>			
Change in control	—	749,269	—
Change in control + employment terminated by AB other than for cause, termination by Mr. Manley for good reason, or termination due to death or disability	2,160,000	749,269	—
Resignation, retirement or termination by AB without cause (complies with applicable agreements and restrictive covenants) under ICAP; death or disability under ICAP <sup>(7)(8)</sup>	—	749,269	—
<b>Bill Siemers<sup>(9)</sup></b>			
Change in control	—	—	—
Change in control + employment terminated by AB other than for cause, termination by Mr. Siemers for good reason, or termination due to death or disability	—	—	—
Resignation, retirement or termination by AB without cause (complies with applicable agreements and restrictive covenants) under ICAP; death or disability under ICAP; excludes 2022 RSU award <sup>(7)(8)</sup>	—	339,810	—
Termination by AB without cause; death or disability (2022 RSU award)	—	300,284	—
<b>Ali Dibadj<sup>(10)</sup></b>			
	—	—	—

<sup>(1)</sup> It is possible that each NEO could receive a cash severance payment on the termination of his or her employment that is not contemplated in the CIC Plan. The amounts of any such cash severance payments would be determined at the time of such termination (other than for Mr. Bernstein), so we are unable to estimate such amounts. The amounts shown for Mr. Bernstein are described in the CEO Employment Agreement. The amounts shown for Ms. Burke, Mr. Erzan, Mr. Sprules and Mr. Manley in the event of a change in control coupled with termination of employment are described in the CIC Plan.

<sup>(2)</sup> See Notes 2 and 19 in AB's consolidated financial statements in Item 8 and "Long-Term Incentive Compensation Awards" above in CD&A for a discussion of the terms set forth in long-term incentive compensation award agreements relating to termination of employment.

<sup>(3)</sup> Reflects the value of group medical coverage to which Mr. Bernstein would be entitled.

<sup>(4)</sup> See "Overview of Mr. Bernstein's Employment Agreement" above for a discussion of the terms set forth in the CEO Employment Agreement relating to termination of employment.

<sup>(5)</sup> The CEO Employment Agreement defines "Disability" as a good faith determination by AB that Mr. Bernstein is physically or mentally incapacitated and has been unable for a period of 180 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.

<sup>(6)</sup> Under the CEO Employment Agreement, upon termination of Mr. Bernstein's employment due to death or disability, and after the COBRA period, AB will provide Mr. Bernstein and his spouse with access to participation in AB's medical plans at Mr. Bernstein's (or his spouse's) sole expense based on a reasonably determined fair market value premium rate.

<sup>(7)</sup> "Disability" is defined in the ICAP award agreements of each NEO 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 NEO.

<sup>(8)</sup> Applicable agreements and restrictive covenants in the ICAP award agreement include restrictions on competition and restrictions on employee and client solicitation.

<sup>(9)</sup> Mr. Siemers, who served as our firm's Interim CFO from March 2022 to July 2022, ceased being deemed an executive officer of AB when his service as Interim CFO concluded. Accordingly, Mr. Siemers was not eligible for potential payments or benefits under the CIC Plan as of December 31, 2022.

<sup>(10)</sup> Mr. Dibadj resigned as our firm's CFO and Head of Strategy in March 2022, so he was ineligible for any potential payment or benefit upon a change in control of AB as of December 31, 2022.

### Part III

Additionally, estimated payments and benefits to which Mr. Bernstein, Ms. Burke or Mr. Erzan would have been entitled upon a change in control of EQH or the specified qualifying events of termination of employment as of December 31, 2022 are as follows (these amounts would be payable by EQH):

Reason for Employment Termination	Acceleration of EQH Option and Share Awards <sup>(5)</sup> (\$)
<b>Seth Bernstein</b>	
Retirement <sup>(1)</sup>	737,795
Death <sup>(2)</sup>	2,434,876
Disability <sup>(2)</sup>	2,434,876
Involuntary termination (no change in control) <sup>(3)</sup>	1,468,354
Change in control (without termination of employment) <sup>(4)</sup>	1,666,667
<b>Kate Burke</b>	
Death <sup>(2)</sup>	168,676
Disability <sup>(2)</sup>	168,676
Involuntary termination (no change in control) <sup>(3)</sup>	53,059
Change in control (without termination of employment) <sup>(4)</sup>	76,180
<b>Onur Erzan</b>	
Death <sup>(2)</sup>	168,676
Disability <sup>(2)</sup>	168,676
Involuntary termination (no change in control) <sup>(3)</sup>	53,059
Change in control (without termination of employment) <sup>(4)</sup>	76,180

<sup>(1)</sup> Reflects, as of December 31, 2022, the full value of the restricted stock unit award and performance share award granted to Mr. Bernstein in 2021. Excludes (i) restricted stock unit awards and performance share awards granted to Mr. Bernstein in 2020 due to prior retirement eligibility requirements in effect for awards granted prior to 2021, and (ii) awards granted in 2022 due to minimum vesting requirements.

<sup>(2)</sup> Reflects, as of December 31, 2022, the full value associated with awards granted by EQH to Mr. Bernstein (since 2020), Ms. Burke (since 2021) and Mr. Erzan (since 2021), including option awards (Mr. Bernstein only); restricted stock unit awards (to each officer); and performance share awards (to each officer). For additional information regarding these awards, *please see the Summary Compensation Table for 2022, Grants of Plan-based Awards in 2022 and Outstanding Equity at 2022 Fiscal Year End above in this Item 11.*

<sup>(3)</sup> Reflects, as of December 31, 2022, (i) the prorated value of the restricted stock unit awards and performance share awards granted by EQH to Mr. Bernstein (in 2020), to Ms. Burke (in 2021) and to Mr. Erzan (in 2021), and (ii) the full value of the restricted stock unit award and performance share award granted to Mr. Bernstein in 2021. Restricted stock unit awards and performance share awards granted to Mr. Bernstein, Ms. Burke and Mr. Erzan in 2022 are excluded until a minimum of one year of vesting is reached.

<sup>(4)</sup> Reflects, as of December 31, 2022, (i) the full value associated with Mr. Bernstein's option awards in 2020, (ii) the full value of the restricted stock unit awards granted to Mr. Bernstein (in 2022, 2021 and 2020), to Ms. Burke (in 2022 and 2021) and to Mr. Erzan (in 2022 and 2021), and (iii) the full value of the performance share awards granted to Mr. Bernstein (in 2022, 2021 and 2020), to Ms. Burke (in 2022 and 2021) and to Mr. Erzan (in 2022 and 2021), with performance factors applied for 2020 and 2021 grants.

<sup>(5)</sup> Acceleration of EQH awards is contingent on the award recipient's compliance with various agreements and restrictive covenants set forth in the applicable award agreement under the EQH 2022 Long-Term Incentive Compensation Program, including protection of confidential information, non-competition, non-solicitation of employees and non-solicitation of customers.

## Director Compensation in 2022

During 2022, we compensated our directors, who satisfied applicable NYSE and SEC standards relating to independence (“**Independent Directors**”), as follows:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards <sup>(1)(2)</sup> (\$)	Total (\$)
<a href="#">Joan Lamm-Tennant</a>	140,000	170,000	310,000
<a href="#">Nella Domenici</a>	102,500	170,000	272,500
<a href="#">Daniel Kaye</a>	99,000	170,000	269,000
<a href="#">Kristi Matus</a>	123,500	170,000	293,500
<a href="#">Das Narayandas</a>	93,000	170,000	263,000
<a href="#">Charles Stonehill</a>	127,500	170,000	297,500
<a href="#">Todd Walthall</a>	102,500	170,000	272,500

<sup>(1)</sup> The aggregate number of restricted AB Holding Units underlying awards outstanding but not yet distributed at December 31, 2022, was: for Ms. Lamm-Tennant, 5,765 AB Holding Units; for Ms. Domenici, 8,521 AB Holding Units; for Mr. Kaye, 12,390 AB Holding Units; for Ms. Matus, 12,125 AB Holding Units; for Mr. Narayandas, 12,390 AB Holding Units; for Mr. Stonehill, 12,390 AB Holding Units; and for Mr. Walthall, 6,066 AB Holding Units.

<sup>(2)</sup> 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 19 to AB's consolidated financial statements in Item 8*.

## Independent Director Compensation Elements

The Board approved the compensation elements *described immediately below* for Independent Directors during its regular meeting held in May 2021 and has agreed to re-consider such compensation elements bi-annually:

- an annual retainer of \$90,000 (paid quarterly after any quarter during which an Independent Director serves on the Board; annual retainers relating to Committee service, as *described below*, are paid quarterly in arrears as well);
- an annual retainer of \$50,000 for acting as Independent Chair of the Board;
- an annual retainer of \$37,500 for acting as Chair of the Audit Committee;
- an annual retainer of \$20,000 for acting as Chair of the Compensation Committee;
- an annual retainer of \$13,500 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 \$9,000 for serving as a member of the Compensation Committee;
- an annual retainer of \$3,000 for serving as a member of the Governance Committee; and
- an annual equity-based grant under an equity compensation plan consisting of restricted AB Holding Units with a grant date fair value of \$170,000.

In 2022, the Board granted to each Independent Director then serving (which included Mes. Domenici, Lamm-Tennant and Matus and Messrs. Kaye, Narayandas, Stonehill and Walthall) 4,410 restricted AB Holding Units. The number of AB Holding Units granted was determined by dividing the \$170,000 grant date fair value *noted above* by the closing price of an AB Holding Unit on the date of the May 2022 Board Meeting, or \$38.55 per unit. These awards vest ratably on each of the first three anniversaries of the grant date.

Further, in order to avoid any perception that our directors' exercise of their fiduciary duties might be impaired, restricted AB Holding Unit grants to Independent Directors are not forfeitable, except if the director is terminated for “Cause,” as that term is defined in the 2017 Plan or the applicable award agreement. Accordingly, restricted AB Holding Units generally are delivered as soon as administratively feasible following an Independent Director's resignation from the Board.

Equity grants to Independent Directors generally are made at the May meeting of the Board. The date of the May meeting is set by the Board at least a year in advance.

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.

Part III

Independent Director AB Holding Unit Ownership Guidelines

Each Independent Director, by the later of five years from the initial implementation date of these guidelines (February 2018) and the date as of which the director's tenure on the Board begins, shall accumulate, either through accumulating AB Holding Units awarded by the Board or purchasing Units on the open market, AB Holding Units with a market value equal to five (5) times the director's annual retainer. Each Independent Director must maintain this ownership level for the duration of the director's tenure on the Board.

As of December 31, 2022, each Independent Director then serving either complied with this policy or was on track to do so within the allotted time.

## 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, 2022 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 <sup>(1)</sup>
Equity compensation plans approved by security holders	—	\$ —	30,204,036
Equity compensation plans not approved by security holders	—	—	—
<b>Total</b>	<b>—</b>	<b>\$ —</b>	<b>30,204,036</b>

<sup>(1)</sup> All AB Holding Units remaining available for future issuance will be issued pursuant to the 2017 Plan, which was approved during a Special Meeting of AB Holding Unitholders held on September 29, 2017.

There are no AB Units to be issued pursuant to an equity compensation plan.

For information about our equity compensation plans, see *Note 19 to AB's consolidated financial statements in Item 8*.

### Principal Security Holders

As of December 31, 2022, we had no information that any person beneficially owned more than 5% of the outstanding AB Units, except as reported by EQH and certain of its subsidiaries. We have prepared the following table, and the note that follows, in reliance on information supplied by EQH:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership Reported on Schedule	Percent of Class
Equitable Holdings <sup>(1)</sup> 1290 Avenue of the Americas New York, NY 10104	177,121,625 <sup>(1)</sup>	61.3 % <sup>(1)</sup>

<sup>(1)</sup> By reason of their relationships, EQH and its subsidiaries that hold AB Units 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 these AB Units. The 61.3% includes the 1% general partnership interest held by EQH.

As of December 31, 2022, AB Holding was the record owner of 113,801,097, or 39.8%, of the issued and outstanding AB Units (or 39.4% including the 1% general partnership interest held by EQH).

## Part III

## Management

As of December 31, 2022, the beneficial ownership of AB Holding Units by each director and NEO 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
<a href="#">Joan Lamm-Tennant<sup>(1)</sup></a>	6,216	*
<a href="#">Seth Bernstein<sup>(1)(2)</sup></a>	657,593	*
<a href="#">Nella Domenici</a>	17,848	*
<a href="#">Jeffrey Hurd<sup>(1)</sup></a>	—	*
<a href="#">Daniel Kaye<sup>(1)</sup></a>	34,693	*
<a href="#">Nick Lane<sup>(1)</sup></a>	—	*
<a href="#">Kristi Matus<sup>(1)</sup></a>	20,254	*
<a href="#">Das Narayandas</a>	30,659	*
<a href="#">Mark Pearson<sup>(1)</sup></a>	—	*
<a href="#">Charles Stonehill<sup>(1)</sup></a>	19,914	*
<a href="#">Todd Walthall</a>	6,618	*
<a href="#">Kate Burke<sup>(1)(3)</sup></a>	234,300	*
<a href="#">Onur Erzan<sup>(1)(4)</sup></a>	144,221	*
<a href="#">Karl Sprules<sup>(1)(5)</sup></a>	140,514	*
<a href="#">Mark Manley<sup>(1)(6)</sup></a>	89,369	*
<a href="#">Bill Siemers<sup>(1)(7)</sup></a>	68,140	*
All directors and executive officers as a group (16 persons) <sup>(8)</sup>	1,470,339	1.3%

\* Number of AB Holding Units listed represents less than 1% of the Units outstanding.

<sup>(1)</sup> Excludes AB Holding Units beneficially owned by EQH and its subsidiaries. Ms. Lamm-Tennant and Matus, and Messrs. Bernstein, Hurd, Kaye, Lane, Pearson and Stonehill, each is a director and/or officer of EQH, Equitable Financial and/or Equitable America. Ms. Burke and Messrs. Bernstein, Erzan, Sprules, Manley and Siemers each is a director and/or officer of the General Partner.

<sup>(2)</sup> Includes 507,389 restricted AB Holding Units that have not yet vested or with respect to which Mr. Bernstein has deferred delivery. See “Overview of Mr. Bernstein’s Employment Agreement – Compensation Elements – Restricted AB Holding Units,” “Grants of Plan-based Awards in 2022” and “Outstanding Equity Awards at 2022 Fiscal Year-End” in Item 11 for additional information.

<sup>(3)</sup> Includes 94,095 restricted AB Holding Units granted to Ms. Burke that have not yet vested. For information regarding Ms. Burke’s long-term incentive compensation awards, see “Grants of Plan-based Awards in 2022” and “Outstanding Equity Awards at 2022 Fiscal Year-End” in Item 11.

<sup>(4)</sup> Includes 137,265 restricted AB Holding Units granted to Mr. Erzan that have not yet vested. For information regarding Mr. Erzan’s long-term incentive compensation awards, see “Grants of Plan-based Awards in 2022” and “Outstanding Equity Awards at 2022 Fiscal Year-End” in Item 11.

<sup>(5)</sup> Includes 72,205 restricted AB Holding Units granted to Mr. Sprules that have not yet vested. For information regarding Mr. Sprules’s long-term incentive compensation awards, see “Grants of Plan-based Awards in 2022” and “Outstanding Equity Awards at 2022 Fiscal Year-End” in Item 11.

<sup>(6)</sup> Includes 21,800 restricted AB Holding Units granted to Mr. Manley that have not yet vested. For information regarding Mr. Manley’s long-term incentive compensation awards, see “Grants of Plan-based Awards in 2022” and “Outstanding Equity Awards at 2022 Fiscal Year-End” in Item 11.

<sup>(7)</sup> Includes 31,760 restricted AB Holding Units granted to Mr. Siemers that have not yet vested. For information regarding Mr. Siemers’s long-term incentive compensation awards, see “Grants of Plan-based Awards in 2022” and “Outstanding Equity Awards at 2022 Fiscal Year-End” in Item 11.

<sup>(8)</sup> Includes 864,514 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, 2022, our directors and executive officers did not beneficially own any AB Units.

As of December 31, 2022, the beneficial ownership of the common stock of EQH by each director and named executive officer of the General Partner and by all directors and executive officers as a group is as follows:

### EQH Common Stock

Name of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership	Percent of Class
<a href="#">Joan Lamm-Tennant</a>	25,056	*
<a href="#">Seth Bernstein<sup>(1)</sup></a>	189,714	*
<a href="#">Nella Domenici</a>	—	*
<a href="#">Jeffrey Hurd<sup>(2)</sup></a>	272,590	*
<a href="#">Daniel Kaye</a>	52,129	*
<a href="#">Nick Lane<sup>(3)</sup></a>	200,933	*
<a href="#">Kristi Matus</a>	19,297	*
<a href="#">Das Narayandas</a>	2,000	*
<a href="#">Mark Pearson<sup>(4)</sup></a>	1,187,290	*
<a href="#">Charles Stonehill</a>	28,285	*
<a href="#">Todd Walthall</a>	—	*
<a href="#">Kate Burke<sup>(5)</sup></a>	2,535	*
<a href="#">Onur Erzan<sup>(5)</sup></a>	2,457	*
<a href="#">Karl Sprules</a>	—	*
<a href="#">Mark Manley</a>	—	*
<a href="#">Bill Siemers</a>	—	*
All directors and executive officers as a group (16 persons) <sup>(6)</sup>	1,982,286	*

\* Number of shares listed represents less than 1% of the outstanding EQH common stock.

<sup>(1)</sup> Includes (i) 103,586 options Mr. Bernstein has the right to exercise within 60 days and (ii) 24,307 restricted stock units that will vest within 60 days and settle in EQH shares.

<sup>(2)</sup> Includes (i) 171,694 options Mr. Hurd has the right to exercise within 60 days and (ii) 51,627 restricted stock units that will vest within 60 days and settle in EQH shares.

<sup>(3)</sup> Includes (i) 76,278 options Mr. Lane has the right to exercise within 60 days and (ii) 58,565 restricted stock units that will vest within 60 days and settle in EQH shares.

<sup>(4)</sup> Includes (i) 653,845 options Mr. Pearson has the right to exercise within 60 days and (ii) 237,363 restricted stock units that will vest within 60 days and settle in EQH shares.

<sup>(5)</sup> Includes 2,191 restricted stock units that will vest within 60 days and settle in EQH shares.

<sup>(6)</sup> Includes 1,005,403 options that may be exercised and 376,244 restricted stock units that will vest within 60 days and settle in EQH shares for the directors and executive officers as a group.

## Part III

# 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. In addition, as *discussed below*, Sections 17-1101(d) and 17-1101(f) of the Delaware Act generally provide that a partnership agreement may limit or eliminate fiduciary duties a partner may be deemed to owe to the limited partnership or to another partner, and any related liability, provided that the partnership agreement may not limit or eliminate the implied contractual covenant of good faith and fair dealing. 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, so long as such transactions are on an arms-length basis. 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 EQH and its subsidiaries (collectively, “EQH 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 EQH Affiliates, which is the manner in which the General Partner reaches a judgment regarding the appropriateness of the fees. Other transactions with EQH 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 2022 between our company and any related person with respect to which these procedures were not followed.

Our relationships with EQH 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 EQH 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 people practices, taking into consideration the defined qualifications, responsibilities and nature of the role.

### Financial Arrangements with EQH 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 EQH Affiliates as being comparable to, or more favorable to AB than, those that would prevail in a transaction with an unaffiliated party.

**Part III**

See Note 12 to AB's consolidated financial statements in Item 8 for disclosures related to our credit facility with EQH. Significant transactions between AB and related persons during 2022 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 <sup>(1)</sup>	General Description of Relationship <sup>(2)</sup>	Amounts Received or Accrued for in 2022	
		(in thousands)	
Equitable Financial	We provide investment management services and ancillary accounting, valuation, reporting, treasury and other services to the general and separate accounts of Equitable Financial and its insurance company subsidiaries.	\$	118,781
EQAT and Equitable Premier VIP Trust	We serve as sub-adviser to these open-end mutual funds, each of which is sponsored by a subsidiary of Equitable Holdings.		23,711
Equitable Holdings			6,573

Parties <sup>(1)</sup>	General Description of Relationship	Amounts Paid or Accrued for in 2022	
		(in thousands)	
Equitable Holdings	Distributes certain of our Retail Products; provides Private Wealth Management referrals; sells shares of our mutual funds under Distribution Service and Educational Support agreements; includes us as insured under various insurance policies.	\$	20,848

<sup>(1)</sup> AB or one of its subsidiaries is a party to each transaction.

<sup>(2)</sup> We provide investment management services unless otherwise indicated.

## Arrangements with Immediate Family Members of Related Persons

During 2022, 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 2022 and 2021, respectively, and fees for other services rendered by PwC are as follows:

	2022	2021
	(in thousands)	
Audit fees <sup>(1)</sup>	\$ 7,373	\$ 6,956
Audit-related fees <sup>(2)</sup>	3,355	3,580
Tax fees <sup>(3)</sup>	1,556	2,221
All other fees <sup>(4)</sup>	2,512	6
<b>Total</b>	<b>\$ 14,796</b>	<b>\$ 12,763</b>

<sup>(1)</sup> Includes \$66,383 and \$63,222 paid for audit services to AB Holding in 2022 and 2021, respectively.

<sup>(2)</sup> Audit-related fees consist principally of fees for audits of financial statements of certain employee benefit plans, internal control reviews and accounting consultation.

<sup>(3)</sup> Tax fees consist of fees for tax consultation and tax compliance services.

<sup>(4)</sup> All other fees consisted primarily of due diligence tax and audit services in 2022 and miscellaneous non-audit services in 2021.

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, 2022, 2021 and 2020.

(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 September 21, 2022.
3.02	Amended and Restated Certificate of Limited Partnership dated February 24, 2006 of AB Holding (incorporated by reference to Ex. 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 Ex. 3.1 to Form 10-Q for the fiscal quarter 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 Ex. 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 Ex. 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 Ex. 3.2 to Form 10-Q for the fiscal quarter 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 Ex. 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 Ex. 99.08 to Form 8-K, as filed February 24, 2006).
4.01	Description of AB Holding Units and AB Units.
10.01	AllianceBernstein 2022 Incentive Compensation Award Program.*
10.02	AllianceBernstein 2022 Deferred Cash Compensation Program.*
10.03	Form of Award Agreement, dated as of December 31, 2022, under Incentive Compensation Award Program, Deferred Cash Compensation Program and AB 2017 Long Term Incentive Plan.*
10.04	Form of Award Agreement under AB 2017 Long Term Incentive Plan relating to equity compensation awards to Independent Directors.*
10.05	Summary of AB's Lease at 1345 Avenue of the Americas, New York, New York.
10.06	Summary of AB's Lease at 501 Commerce Street, Nashville, Tennessee.

Exhibit	Description
10.07	Guidelines for Transfer of AB Units.
10.08	Transaction Agreement, dated as of March 17, 2022, by and among CarVal Investors, AB Holding and AB (incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended March 31, 2022, as filed April 29, 2022).
10.09	Amendment to the Profit Sharing Plan for Employees of AllianceBernstein L.P., dated as of June 28, 2022.*
10.10	Amended and Restated Revolving Credit Agreement, dated as of October 13, 2021 (incorporated by reference to Ex. 99.01 to Form 8-K, as filed October 19, 2021)
10.11	AllianceBernstein Change in Control Plan for Executive Officers (incorporated by reference to Exhibit 99.01 to Form 8-K, as filed December 14, 2020).*
10.12	Amendment No. 2 to Seth Bernstein's Employment Agreement (incorporated by reference to Ex. 10.1 to Form 8-K, as filed December 19, 2019).*
10.13	Credit Agreement dated as of November 4, 2019 between AllianceBernstein L.P., as borrower, and Equitable Holdings, Inc., as lender (incorporated by reference to Ex. 10.01 to Form 8-K, as filed November 4, 2019).
10.14	Amendment to Seth Bernstein's Employment Agreement (incorporated by reference to Ex. 10.01 to Form 10-K for the fiscal year ended December 31, 2018, as filed February 13, 2019).*
10.15	Kate Burke Award Letter dated as of April 24, 2018 (incorporated by reference to Ex. 10.08 to Form 10-K for the fiscal year ended December 31, 2018, as filed February 13, 2019).*
10.16	Amendment to the Retirement Plan for Employees of AllianceBernstein L.P., dated as of April 1, 2018 (incorporated by reference to Ex. 10.11 to Form 10-K for the fiscal year ended December 31, 2018, as filed February 13, 2019).*
10.17	Amendment to the Profit Sharing Plan for Employees of AllianceBernstein L.P., dated as of April 1, 2018 (incorporated by reference to Ex. 10.12 to Form 10-K for the fiscal year ended December 31, 2018, as filed February 13, 2019).*
10.18	AB 2017 Long Term Incentive Plan (incorporated by reference to Ex. 10.06 to Form 10-K for the fiscal year ended December 31, 2017, as filed February 13, 2018).*
10.19	Employment Agreement among Seth Bernstein, AB, AB Holding and AllianceBernstein Corporation (incorporated by reference to Ex. 10.3 to Form 8-K, as filed May 1, 2017).*
10.20	Amendment to the Profit Sharing Plan for Employees of AllianceBernstein L.P., dated as of October 20, 2016 and effective as of January 1, 2017 (incorporated by reference to Ex. 10.06 to Form 10-K for the fiscal year ended December 31, 2017, as filed February 13, 2018).*
10.21	Profit Sharing Plan for Employees of AB, as amended and restated as of January 1, 2015 and as further amended as of January 1, 2017 (incorporated by reference to Ex. 10.05 to Form 10-K for the fiscal year ended December 31, 2015, as filed February 11, 2016).*
10.22	Amendment and Restatement of the Retirement Plan for Employees of AB, as of January 1, 2015 (incorporated by reference to Ex. 10.06 to Form 10-K for the fiscal year ended December 31, 2015, as filed February 11, 2016).*
10.23	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 (incorporated by reference to Ex. 10.08 to Form 10-K for the fiscal year ended December 31, 2015, as filed February 11, 2016).
10.24	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 (incorporated by reference to Ex. 10.09 to Form 10-K for the fiscal year ended December 31, 2015, as filed February 11, 2016).
10.25	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 (incorporated by reference to Ex. 10.10 to Form 10-K for the fiscal year ended December 31, 2015, as filed February 11, 2016).

Part IV

Exhibit	Description
10.26	Investment Advisory and Management Agreement for the General Account of Equitable Financial Life Insurance Company (incorporated by reference to Ex. 10.5 to Form 10-K for the fiscal year ended December 31, 2004, as filed March 15, 2005).
10.27	Amended and Restated Investment Advisory and Management Agreement dated January 1, 1999 among AB Holding, Alliance Corporate Finance Group Incorporated, and Equitable Financial Life Insurance Company (incorporated by reference to Ex. (a)(6) to Form 10-Q/A for the fiscal quarter ended September 30, 1999, as filed September 28, 2000).
21.01	Subsidiaries of AB.
23.01	Consents of PricewaterhouseCoopers LLP.
31.01	Certification of Seth Bernstein furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02	Certification of Kate Burke furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.01	Certification of Seth Bernstein 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 Kate Burke 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 - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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.
104	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2022, formatted in Inline XBRL (included in Exhibit 101).
*	Denotes a compensatory plan or arrangement

Item 16. Form 10-K Summary

None.

# Signatures

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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 10, 2023

By: /s/ Seth Bernstein  
Seth Bernstein  
*President & 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 10, 2023

/s/ Kate Burke  
Kate Burke  
*Chief Operating Officer & Chief Financial Officer*

Date: February 10, 2023

/s/ Bill Siemers  
Bill Siemers  
*Controller & Chief Accounting Officer*

Directors

/s/ Seth Bernstein  
Seth Bernstein  
*President & Chief Executive Officer*

/s/ Nella Domenici  
Nella Domenici  
*Director*

/s/ Daniel Kaye  
Daniel Kaye  
*Director*

/s/ Kristi Matus  
Kristi Matus  
*Director*

/s/ Mark Pearson  
Mark Pearson  
*Director*

/s/ Todd Walthall  
Todd Walthall  
*Director*

/s/ Joan Lamm-Tennant  
Joan Lamm-Tennant  
*Chair of the Board*

/s/ Jeffrey Hurd  
Jeffrey Hurd  
*Director*

/s/ Nick Lane  
Nick Lane  
*Director*

/s/ Das Narayandas  
Das Narayandas  
*Director*

/s/ Charles Stonehill  
Charles Stonehill  
*Director*

## SCHEDULE II

**AllianceBernstein L.P.**  
**Valuation and Qualifying Account - Allowance for Doubtful Accounts**  
**For the Three Years Ending December 31, 2022, 2021 and 2020**

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, 2022	\$ 328	\$ —	\$ 96 (a)	\$ 232
For the year ended December 31, 2021	\$ 311	\$ —	\$ (17) (b)	\$ 328
For the year ended December 31, 2020	\$ 309	\$ 100	\$ 98 (c)	\$ 311

(a) Includes accounts written-off as uncollectible of \$96. .

(b) Includes a net addition to the allowance balance of \$28 and accounts written-off as uncollectible of \$11.

(c) Includes accounts written-off as uncollectible of \$98.

**ALLIANCEBERNSTEIN CORPORATION  
BY-LAWS<sup>1</sup>**

**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 annual meetings of the stockholders, for the election of directors or for any other purpose as may properly come before the meeting, shall be held on such date and at such time and place, within or without the State of Delaware, as the board of directors (or its designee) shall each year fix, which date shall be within thirteen (13) months of the last annual meeting of stockholders.

Section 2. Written notice of each annual meeting shall be given to each stockholder entitled to vote thereat at least ten (10) days before the date of the meeting.

Section 3. 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.

Section 4. 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 chair of the board, any vice chair of the board, the chair of the corporate governance committee of the board, the chief executive officer and/or the president. Additionally, special meetings of the stockholders 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 5. 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 6. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 7. 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.

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<sup>1</sup> Conformed copy with amendments through September 21, 2022.

Section 8. 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 9. 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.

Section 10. Any business or matter to be handled during annual or special meetings of stockholders may be accomplished without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action or business to be accomplished, shall be signed by the holders of outstanding stock having at least the minimum number of votes that would be necessary to authorize such action or business at a meeting duly called and held. No written consent shall be effective to take the corporate action referred to therein unless written consent(s) signed by a sufficient number of holders to take such action are delivered to the Corporation in a manner required by Section 228 of the Delaware General Corporation Law, as amended from time to time (the "DGCL"), within sixty (60) days of the date indicated on the written consent(s).

Any person executing a consent may provide, whether through instruction to an agent or otherwise, that such a consent will be effective at a future time (including a time determined upon the happening of an event), no later than sixty (60) days after such instruction is given or such provision is made, if evidence of such instruction or provision is provided to the Corporation. Unless otherwise provided, any such consent shall be revocable prior to becoming effective.

### **ARTICLE III**

#### **DIRECTORS**

Section 1. Until changed by the stockholder(s), the number of directors shall be 11. 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 or her successor is duly 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. The stockholder(s) may consider advice and recommendations from the board of directors and/or the corporate governance committee of the board in assessing new directors.

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, if any, at such time and on such date as shall from time to time be determined by the board and publicized among all directors.

Section 7. Special meetings of the board of directors may be called by the chair of the board, by one-third (1/3) of the directors then in office (rounded up to the nearest whole number) or by the chief executive officer, and such meetings shall be held at such place, if any, on such date and at such time as they, he or she shall fix. 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. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 8. At all meetings of the board a majority of the Entire Board (rounded up to the nearest whole number) 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 the DGCL, another applicable 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, from time to time 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.

Section 11. Each committee, subject to any restrictions contained in said committee's Charter, may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members of all meetings; a majority (rounded up to the nearest whole number) of the members shall constitute a quorum unless the committee shall consist of only two (2) members, in which event one (1) member shall constitute a quorum; and all matters shall be determined by the affirmative vote of a majority of the members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

## **COMPENSATION OF DIRECTORS**

Section 12. The directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and may be paid, pursuant to resolution(s) of the board of directors, fixed fees and other compensation for their services as directors, including, without limitation, their services as members of committees of the board of directors. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

## **REMOTE PARTICIPATION IN MEETINGS**

Section 13. 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 video conference, conference telephone or other 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.

## **CONDUCT OF BUSINESS**

Section 14. At any meeting of the board of directors, business shall be transacted in such order and manner as the board may from time to time determine, and all matters shall be determined by the affirmative vote of a majority of the directors present, except as otherwise provided herein or required by law. Action may be taken by the board of directors without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future time (including a time determined upon the happening of an event), no later than sixty (60) days after such instruction is given or such provision is made and such consent shall be deemed to have been given for purposes of this Section 7 at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any such consent shall be revocable prior to becoming effective.

## **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. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in, and to the extent permitted by, Section 232 of the DGCL.

Section 2. Whenever any notice is required to be given under the provisions of the DGCL, the certificate of incorporation or these By-laws, a waiver thereof in writing, signed by the person(s) entitled to said notice, or a waiver by electronic transmission by the person(s) entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent of notice. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

## **ARTICLE V**

### **OFFICERS**

Section 1. The officers of the corporation shall be chosen by the board of directors and may include a chief executive officer, a president, one (1) or more vice presidents, a secretary, a treasurer and such other officers as may from time to time be appointed by the board of directors (or its designee). The board of directors may delegate the authority to elect or appoint any officer with a title junior to "Senior Vice President" to the chief executive officer. Each officer shall hold office until his or her successor shall be duly elected and qualified or until his or her earlier resignation or removal. Any number of offices may be held by the same person.

Section 2. The salaries of all officers of the corporation shall be fixed by the board of directors (or its designee).

Section 3. The board of directors (or its designee) may delegate the powers and duties of any officer to any other officer or agents, notwithstanding any provision hereof.

Section 4. Any officer of the Corporation may be removed at any time, with or without cause, by the board of directors (or its designee).

### **CHIEF EXECUTIVE OFFICER**

Section 5. 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. Subject to the provisions of these By-Laws and to the direction of the board of directors, he or she shall have the responsibility for the general management and control of the business and affairs of the Corporation. In the absence or disability of the chair of the board and any vice chair(s) of the board, 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 chair 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.

### **PRESIDENT**

Section 6. Subject to the provisions of these By-Laws and to the direction of the board of directors, the president shall perform all duties and have all powers that are commonly incident to the office of president or that may be delegated to him or her by the board of directors. The president shall perform the duties and exercise the powers of the chief executive officer in the event of a vacancy in the office of chief executive officer, or in the event of such person's absence or disability.

### **VICE PRESIDENTS**

Section 7. Each vice president shall have such powers and duties as may be delegated to him or her by the board of directors (or its designee). One (1) vice president may be designated by the board of directors (or its designee) to perform the duties and exercise the powers of the president in the event of the president's absence or disability.

### **SECRETARY**

Section 8. The secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the stockholder(s) of the corporation, the board of directors and any committee of the board. He or she shall have charge of the corporate books (whether in hard copy or electronic form), shall have power to sign all stock certificates and affix the seal of the corporation, and shall perform such other duties as the board of directors (or its designee) may from time to time prescribe.

## **TREASURER**

Section 9. The treasurer shall have the responsibility for maintaining the financial records of the corporation. He or she shall make such disbursements of funds of the corporation as are authorized and shall render from time to time an account of all such transactions and of the financial condition of the corporation. The treasurer shall also perform such other duties as the board of directors (or its designee) 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 chair 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 or her 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 chair 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 or her 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 (50) 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 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.

Section 7. In order that the corporation may determine the stockholders entitled to consent to corporate action without a meeting, the board of directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall be not more than ten (10) days after the date upon which the resolution fixing the record date is adopted. If no record date has been fixed by the board of directors and no prior action by the board is required by the DGCL, the record date shall be the first date on which a signed consent setting forth the action taken or proposed to be taken is delivered to the corporation. If no record date has been fixed by the Board of Directors and prior action by the board of directors is required by the DGCL with respect to the proposed action by consent of the stockholders without a meeting, the record date for determining stockholders entitled to consent to corporate action without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

## **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 threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or an officer of the corporation or is or was serving at the request of the corporation or for its benefit as a director, an officer or a trustee of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, an officer or a trustee, or in any other capacity while serving as a director, an officer or a trustee, shall be indemnified and held harmless by the corporation to the fullest extent legally permissible under and pursuant to any procedure specified in the DGCL or other applicable Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than such law permitted the corporation to provide prior to such amendment), against all expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by such indemnitee 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. In addition to indemnification pursuant to Section 1 of this Article, the corporation shall pay an indemnitee the expenses (including attorney's fees) incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, as the DGCL may require, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or an officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon receipt by the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under Section 1 of this Article or otherwise.

Section 3. If a claim under Section 1 or 2 of this Article is not paid in full by the corporation within one hundred and twenty (120) days after a written claim has been received by the corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be ninety (90) days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. To the fullest extent permitted by law, if successful in whole or in part in any such suit, or in a suit brought by the corporation to recover an advancement of expenses, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the corporation to recover an advancement of expenses, the corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or in an action brought by the corporation to recover an advancement of expenses, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article or otherwise shall be on the corporation.

Section 4. The board of directors (or its designee, including the corporate governance committee of the board) may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or an officer of the corporation, or is or was serving at the request of the corporation as a director or an 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 under the DGCL.

Section 5. 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**

### **MISCELLANEOUS**

#### **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, or by written consent, pursuant to Delaware 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.

#### **FACSIMILE SIGNATURES**

Section 6. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these By-Laws, facsimile signatures of any officer or officers of the corporation may be used whenever and as authorized by the board of directors (or its designee).

#### **RELIANCE ON BOOKS, REPORTS AND RECORDS**

Section 7. Each director and each member of any committee designated by the Board of Directors shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the board of directors so designated, or by any other person as to matters which such director or committee member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the corporation.

## **TIME PERIODS**

Section 8. In applying any provision of these By-Laws that requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

## **ARTICLE IX**

### **AMENDMENTS**

Section 1. These By-Laws may be amended or repealed at any regular meeting of the stockholder(s) or of the board of directors or at any special meeting of the stockholder(s) or of the board of directors.  
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## DESCRIPTION OF ALLIANCEBERNSTEIN UNITS AND ALLIANCEBERNSTEIN HOLDING L.P. UNITS

### General

Interests in AllianceBernstein L.P. ("ABLP") are in the form of units of limited partnership interest ("ABLP units"). Interests in AllianceBernstein Holding L.P. ("AB Holding") are in the form of units representing assignments of beneficial ownership of limited partnership interests ("AB Holding units"). AB Holding is the record owner of a number of ABLP units equal to the number of AB Holding units then outstanding. As of December 31, 2022, there were 113,801,097 AB Holding units outstanding and 285,979,913 ABLP units outstanding.

The Board of Directors (the "GP Board") of AllianceBernstein Corporation, the general partner, controls the activities of both AB Holding and ABLP. The Board is not classified. Unitholders of ABLP and AB Holding do not have the right to vote for members of the GP Board. The right to appoint members of the GP Board rests with Alpha Units Holdings, Inc. ("Alpha"), the sole stockholder of the general partner. Alpha is a wholly owned subsidiary of Equitable Holdings, Inc. ("EQH"). The common stock of EQH trades publicly on the New York Stock Exchange under the ticker symbol "EQH."

Among other rights, Delaware law gives limited partners the right to maintain a derivative action, the right to exercise voting powers and the right to inspect and copy a partnership's books and records. The respective Amended and Restated Agreements of Limited Partnership of ABLP and AB Holding also grant limited partners such rights.

The general partner may, without the consent of the limited partners, amend either partnership agreement to qualify the partnership as a limited partnership or to preserve the limited liability of limited partners.

ABLP units do not trade publicly and are subject to significant transfer restrictions. AB Holding units trade publicly on the New York Stock Exchange under the ticker symbol "AB."

### Restrictions on Transfers of ABLP Units

As noted above, ABLP units are subject to significant liquidity restrictions. In general, transfers of ABLP units are allowed only with the written consent of both EQH and ABLP's general partner. Only the written consent of EQH, and not the written consent of the general partner, is required for a "block transfer," as described below, of units by a corporation or other business entity, provided that the partnership has received an opinion of counsel to the effect that the partnership will not be treated as a publicly traded partnership for tax purposes as a result of the transfer. Either EQH or, where applicable, the general partner may withhold its consent to a transfer in its sole discretion, for any reason. Generally, neither EQH nor the general partner will permit any transfer that it believes would create a risk that ABLP would be treated as a corporation for tax purposes.

ABLP does not recognize any transfer made without the appropriate consents.

EQH and the general partner may refuse to consent to any transfer that is not described in the safe harbors set forth in United States Treasury regulations. This fact does not imply, however, that either EQH or the general partner necessarily intends to permit transfers that are described in the safe harbors. Neither EQH, where relevant, the general partner is required to approve any transfer, and there can be no assurance that EQH or the general partner will approve a transfer even if the transfer would be permissible under the safe harbors. Permissible transfers under the safe harbors may include:

- (1) transfers at death;
- (2) transfers between certain family members; and
- (3) "block transfers."

In general, a "block transfer" is the transfer within a 30-day period by a single holder, or group of related holders, of ABLP units representing more than 2% of the outstanding ABLP units. For these purposes, units held by EQH and its affiliates, other than AB Holding, will not be counted as outstanding.

**Unitholders Have No Right to Direct the Business of AB Holding or ABLP**

The activities of AB Holding and ABLP are managed and controlled by the general partner. The general partner has agreed that it will conduct no active business other than managing AB Holding and ABLP, although it may make certain investments for its own account. Neither AB Holding unitholders nor ABLP unitholders have any rights to manage or control AB Holding or ABLP, or, as noted above, to elect directors of the general partner.

### **Change in Control**

As noted above, the general partner controls the activities of AB Holding and ABLP, and the general partner is a wholly owned subsidiary of EQH. Accordingly, any change in control of AB Holding or ABLP would require a sale by EQH of its interest in the general partner and consent of EQH.

### **Comparison of ABLP and AB Holding Unitholder Rights**

Set forth below is a comparison of AB Holding units and ABLP units. This summary is not complete and is qualified in its entirety by reference to the respective Amended and Restated Agreements of Limited Partnership of ABLP and AB Holding, each of which can be found on our firm's website, [www.alliancebernstein.com](http://www.alliancebernstein.com).

Under Delaware law and the Partnership Agreements, ABLP unitholders and AB Holding unitholders have substantially similar voting rights.

The general partner may not be removed by AB Holding unitholders unless it is not, or is simultaneously removed as, the general partner of ABLP. The general partner also may not withdraw unless it is not, or simultaneously withdraws as, the general partner of both AB Holding and ABLP.

### *Voting Rights*

AB Holding and ABLP unitholders generally have voting rights with respect to:

- the withdrawal, removal, transfer and replacement of the general partner;
- the merger or consolidation of AB Holding or ABLP with another entity,
- the sale of all or substantially all of the assets owned, directly or indirectly, by either AB Holding or ABLP;
- the dissolution of either AB Holding or ABLP;
- certain types of amendments to the Partnership Agreements;
- reconstitution of AB Holding or ABLP;
- election, compensation and approval of a liquidating trustee;
- conversion or reorganization of AB Holding or ABLP into another type of legal entity;
- issuance of units that rank senior to the originally issued AB Holding units or ABLP units, as the case may be.

Each AB Holding unit and ABLP unit entitles the holder thereof to cast one vote on all matters presented to unitholders.

Approval of any matter submitted to unitholders generally requires the affirmative vote of unitholders holding more than 50% of the units then outstanding, except that:

- any transfer by the general partner of all or substantially all of AB Holding's or ABLP's assets where the general partner or its corporate affiliates have any direct or indirect equity interest in the person acquiring the partnership requires a vote of more than 50% of AB Holding or ABL unitholders, excluding employees of ABLP, their families, the general partner and its corporate affiliates;

- withdrawal of the general partner requires the approval of the holders of a majority of the units other than the general partner and its corporate affiliates;
- removal of the general partner without cause requires the vote of 80% of the outstanding units;
- except in limited circumstances, an election by the general partner to dissolve AB Holding or ABLP requires the approval of the holders of a majority of the units other than the general partner and its corporate affiliates;
- in certain circumstances upon which AB Holding or ABLP would otherwise be dissolved, a unanimous vote of the unitholders to continue the business of the partnership is necessary to avoid dissolution;
- any amendment that would adversely alter the rights and preferences of AB Holding or ABLP units requires the approval of the holders of a majority of the units other than the general partner and its corporate affiliates;
- any amendment that would adversely alter the rights and preference of any other class or series of units must be approved by a majority of that class; and
- any amendment for which AB Holding or ABLP does not receive a determination that as a result of such amendment:
  - the unitholders would not lose their limited liability pursuant to Delaware law or the applicable Partnership Agreement;
  - the partnership would not become subject to federal income tax or otherwise incur additional tax liabilities; and
  - certain advisory contracts of ABLP would not automatically be terminated or breached

requires the approval of the holders of a majority of the units other than the general partner and its corporate affiliates.

Only the general partner may propose amendments to either the ABLP Partnership Agreement or the AB Holding Partnership Agreement.

Any action that may be taken at a meeting of unitholders of AB Holding or ABLP may be taken by written consent in lieu of a meeting executed by unitholders of AB Holding or ABLP sufficient to authorize such action at a meeting of unitholders.

#### *Distributions / Taxation*

AB Holding and ABLP each is required under its Partnership Agreement to distribute its available cash flow.

AB Holding is subject to a 3.5% federal tax on its gross business income. Otherwise, AB Holding is not subject to federal or state income tax. Rather, unitholders include their respective shares of AB Holding's income, gain, losses, deductions and credits in computing taxable income, without regard to the cash distributed to unitholders quarterly. Generally, cash distributions are not taxable, unless distributions exceed a unitholder's basis in units.

ABLP is not subject to the 3.5% federal tax, or any corresponding state tax, on its gross business income. Otherwise, its tax treatment identical to the tax treatment of AB Holding.

For the quarter ended December 31, 2022, each ABLP unit will be paid \$0.77 per unit, while each AB Holding unitholder will be paid \$0.70 per unit. The difference in distribution rate primarily results from applicability of the 3.5% federal tax described immediately above.

#### *Meetings*

Meetings of AB Holding unitholders may be called for any purpose with respect to which the unitholders are entitled to vote. Such meetings may be called by the general partner or by unitholders holding at least 50% of the issued and outstanding AB Holding units.

Meetings of ABLP unitholders may be called for any purpose with respect to which the unitholders are entitled to vote. Such meetings may be called by the general partner, by unitholders holding at least 25% of the issued and outstanding ABLP units or at the request of AB Holding, in its capacity as a limited partner of ABLP, pursuant to the request of AB Holding unitholders holding at least 50% of the issued and outstanding AB Holding units. AB Holding unitholders have the right to attend meetings of ABLP unitholders.

#### *Liquidation Rights*

In the event of the liquidation of either ABLP or AB Holding, the assets of the partnership remaining after the satisfaction of all debts and liabilities of the partnership will be distributed to unitholders pro rata in accordance with the positive balances in their capital accounts. Any remaining assets will be distributed to the unitholders in accordance with their percentage interests.

#### *Right to Compel Dissolution*

Under each Partnership Agreement, the general partner may dissolve AB Holding or ABLP if the general partner receives the approval of the holders of a majority of ABLP units or AB Holding units, as applicable, excluding units owned by the general partner and its corporate affiliates. The general partner can compel dissolution by (1) means of a written determination that the projected future revenues of either AB Holding or ABLP over the next five years will not cover the partnership's projected costs and expenses in the same period, or (2) the sale of all or substantially all of the assets of the partnership. In most cases, the withdrawal, removal, bankruptcy or dissolution of the general partner will also compel dissolution.

## ALLIANCEBERNSTEIN 2022 INCENTIVE COMPENSATION AWARD PROGRAM

This AllianceBernstein 2022 Incentive Compensation Award Program (the “**Program**”) under the AB 2017 Long Term Incentive Plan (the “**2017 Plan**”) has been adopted by the Compensation and Workplace Practices 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 2017 Plan shall be governed solely by the 2017 Plan document, this Program and the terms of any related award agreement.

The portion of the Program pursuant to which Awards are granted hereunder is a separate plan within the Program. Such separate plan shall be referred to as the “**AB Incentive Plan**.” The purpose of the AB Incentive Plan is to enhance the ability of the Company to attract, motivate, and retain certain of the Company’s key employees and to strengthen their commitment to the Company by providing additional incentive compensation awards payable under, and subject to the terms and conditions of, the Program. The AB Incentive Plan is a “bonus program” as defined in ERISA and the regulations issued thereunder. Accordingly, the AB Incentive Plan is not covered by ERISA.

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.

### A. Definitions

- a. *Definitions.* Whenever used in the Program, each of the following terms shall have the meaning for that term set forth below:
- i. “**AB Holding Units**”: units representing assignments of beneficial ownership of limited partnership interests in AB Holding.
  - ii. “**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.
  - iii. “**Award**”: any award granted subject to the Program.
  - iv. “**Award Agreement**”: an agreement between a Participant and a Company setting forth the terms of an Award.
  - v. “**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.
  - vi. “**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.
  - vii. “**Board**”: the Board of Directors of the general partner of AB Holding and AB.
  - viii. “**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.
  - ix. “**Code**”: the Internal Revenue Code of 1986, as amended from time to time.
  - x. “**Committee**”: the Board or one or more committees of the Board designated by the Board to administer the Program.

- xi. **"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.
- xii. **"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.
- xiii. **"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.
- xiv. **"Effective Date"**: the date Awards are approved by the Committee.
- xv. **"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 ACP 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*.
- xvi. **"ERISA"**: the Employee Retirement Income Security Act of 1974, as amended.
- xvii. **"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 2022 Incentive Compensation Award Program.

(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.

#### A. Participation

- a. **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.

- b. *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.
- c. *Distributions on AB Holding Units.*
  - i. 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.
  - ii. 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.
  - iii. AB Holding Units shall be subject to adjustment in accordance with Section 4(c) of the 2017 Plan (or such applicable successor provision).

B. 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.

A. Distributions

- a. *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.
- b. *Distributions If Deferral Election Is Not In Effect.*
  - i. 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.
  - ii. 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:
    - 1. In the event of a Participant's Disability, a distribution will be made to the Participant within 70 days following the Participant's Disability.

2. 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 180<sup>th</sup> day anniversary of the death.
  3. 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.
- c. *Distributions If Deferral Election Is In Effect.*
- i. 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.
  - ii. 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 180<sup>th</sup> day anniversary of the death.
  - iii. 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.
- d. *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.
- e. *Documentation.* Each Participant and Beneficiary shall provide the Committee with any documentation required by the Committee for purposes of administering the Program.

#### A. Deferrals of Compensation

- a. *Initial Deferral Election.*
- i. 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).

- ii. 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.
  - iii. 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.
- b. *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.

A. Administration; Miscellaneous

- a. *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 purpose of the AB Incentive Plan is to enhance the ability of the Company to attract, motivate, and retain certain of the Company's key employees and to strengthen their commitment to the Company by providing additional incentive compensation awards payable under, and subject to the terms and conditions of, the Program. The AB Incentive Plan is a "bonus program" as defined in ERISA and the regulations issued thereunder. Accordingly, the AB Incentive Plan is not covered by ERISA. 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.

- b. *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.
- c. *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.
- d. *General Provisions.*
  - i. 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.
  - ii. 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.
  - iii. 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.
  - iv. 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.
  - v. 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.
  - vi. 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.
  - vii. 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.
  - viii. 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.
  - ix. Section headings herein are for convenience of reference only and shall not affect the meaning of any provision of the Program.
  - x. The Program shall be governed and construed in accordance with the laws of the State of New York.
  - xi. 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 2022 DEFERRED CASH COMPENSATION PROGRAM

This AllianceBernstein 2022 Deferred Cash Compensation Program (the “**Program**”), under the AllianceBernstein 2022 Incentive Compensation Award Program (the “**ICAP**”), has been adopted by the Compensation and Workplace Practices 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.

The purpose of the Program is to enhance the ability of the Company to attract, motivate, and retain certain of the Company’s key employees and to strengthen their commitment to the Company by providing additional incentive compensation awards payable under, and subject to the terms and conditions of, the Program. The Program is a “bonus program” as defined in ERISA and the regulations issued thereunder. Accordingly, the Program is not covered by ERISA.

### A. Definitions

- a. **Definitions.** Whenever used in the Program, each of the following terms shall have the meaning for that term set forth below:
- i. “**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.
  - ii. “**Award**”: any award granted subject to the Program.
  - iii. “**Award Agreement**”: an agreement between a Participant and a Company setting forth the terms of an Award.
  - iv. “**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.
  - v. “**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.
  - vi. “**Board**”: the Board of Directors of the general partner of AB Holding and AB.
  - vii. “**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.
  - viii. “**Code**”: the Internal Revenue Code of 1986, as amended from time to time.
  - ix. “**Committee**”: the Compensation and Workplace Practices 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.
  - x. “**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.
  - xi. “**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.
  - xii. “**Effective Date**”: the date Awards are approved by the Committee.
  - xiii. “**Eligible Employee**”: an active employee of a Company who the Committee determines to be eligible for an Award.
  - xiv. “**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 2022 Deferred Cash Compensation Program.

(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.

A. Participation

- a. *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.
- b. *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.
- c. *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.

A. 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.

A. Distributions

- a. *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.
- b. *Distributions.*
  - i. 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.
  - ii. 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:
    1. In the event of a Participant’s Disability, a distribution will be made to the Participant within 70 days following the Participant’s Disability.
    2. 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 180<sup>th</sup> day anniversary of the death.

3. 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.
- c. *Documentation.* Each Participant and Beneficiary shall provide the Committee with any documentation required by the Committee for purposes of administering the Program.

A. Administration; Miscellaneous

*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 purpose of the Program is to enhance the ability of the Company to attract, motivate, and retain certain of the Company's key employees and to strengthen their commitment to the Company by providing additional incentive compensation awards payable under, and subject to the terms and conditions of, the Program. The Program is a "bonus program" as defined in ERISA and the regulations issued thereunder. Accordingly, the Program is not covered by ERISA. 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.

- a. *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.
- b. *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.
- c. *General Provisions.*
  - i. 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.
  - ii. 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.
  - iii. 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.

- iv. 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.
- v. 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.
- vi. 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.
- vii. 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.
- viii. 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.
- ix. Section headings herein are for convenience of reference only and shall not affect the meaning of any provision of the Program.
- x. 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.
- xi. 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  
AB 2017 Long Term Incentive Plan

Award Agreement for 2022 Awards

Award Agreement, dated as of December 31, 2022, among AllianceBernstein L.P. (together with its subsidiaries, "AB"), AllianceBernstein Holding L.P. ("AB Holding") and <PARTC\_NAME> (the "Participant"), an employee of AB.

Whereas, the Compensation and Workplace Practices Committee (the "Committee" or "Administrator") of the Board of Directors (the "Board") of AllianceBernstein Corporation (the "Corporation"), pursuant to the AB 2022 Incentive Compensation Award Program (the "Incentive Compensation Program") and the AB 2017 Long Term Incentive Plan (the "2017 Plan" and, together with the Incentive Compensation Program, the "Plans"), copies or summaries of which have been delivered electronically to the Participant, has granted to the Participant an award (the "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 AB 2022 Deferred Cash Compensation Program (the "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 as of December 12, 2022, 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 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 9 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 Sections 7(c) and 7(d), as applicable, 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, bonus or other year-end incentive compensation, 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, except for Restricted Units (and quarterly distribution payments on unvested Restricted Units) and Deferred Cash that continue to vest and be distributed as provided in Sections 7(c), 7(d) and 7(e) of this Award Agreement. 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 any 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. "Direct Competitor" means a business that offers or provides any 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 any of the business activities of the Direct Competitor either constitute or can reasonably be expected to constitute meaningful competition for AB, without consideration given to the products or services supported by the Participant during the course of the Participant's employment with 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), and for the longer of one year after the last date of employment or the date when any unvested units have vested and been delivered, 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 the Participant's 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. Furthermore, nothing in this Award Agreement prohibits the Participant from reporting possible violations of federal law or regulation to any governmental agency or entity, including the Department of Justice, the Securities and Exchange Commission, Congress and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. The Participant need not seek prior authorization from AB to make any such report or disclosure, nor is the Participant required to notify AB that such report or disclosure has been made.

(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 15 hereof. In the event that any court or tribunal of competent jurisdiction shall determine this Section 5 or Section 7 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 this Section 5 or Section 7 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 employment with AB (other than due to the Participant's Retirement, as defined below, or 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 later of 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) or one year after the last date of employment, the Participant providing to AB in writing

(in a form to be provided by AB, a "Resignation Questionnaire") within 10 calendar days from the first date the Participant informs AB about such resignation, information relating to the Participant's new employment opportunity, if any, and when there is continued vesting post-employment the Participant confirming in writing continued compliance with the agreements and covenants set forth in Sections 4 and 5 of this Award Agreement (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"). 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) Retirement. If the Participant's employment with AB terminates because of the Participant's Retirement (as defined below), any unvested Deferred Cash and all unvested Restricted Units held by the Participant (and not previously forfeited or cancelled) on the date of Retirement 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 agreements and covenants set forth in Sections 4 and 5 of this Award Agreement (except that the Participant shall comply with the non-competition covenant attached hereto as Schedule B (the "Retirement Non-Competition Covenant") rather than the covenant contained in Section 5(a)) from the date of Retirement 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 confirming in writing continued compliance with the agreements and covenants set forth in the Retirement Non-Competition Covenant and Sections 4 and 5(b), (c) and (d) of this Award Agreement (in a form to be provided by AB, a "Retirement 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 "Retirement Release"); provided, however, that the only remedy available to AB for any breach by the Participant of the agreements and covenants set forth in the Retirement Non-Competition Covenant and Sections 4 and 5(b) of this Award Agreement that occurs after the Participant's last date of employment, or for the Participant failing to provide to AB the Retirement Release or each annual Retirement Confirmation Certificate, shall be the forfeiture remedy described in Section 5(e)(i) of this Award Agreement. In addition, the terms of this Section 7(d) 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 each Retirement Confirmation Certificate.

"Retirement" with respect to a Participant means that the employment of the Participant with AB has terminated on or after the time when the sum of the Participant's age and full years of service with AB equals or exceeds 70 under circumstances where the Participant has provided to AB written notice of retirement at least nine months prior to the retirement date (the "Retirement Date") and where the Participant has entered into, at least six months prior to the Retirement Date, a retirement transition agreement (in a form to be provided by AB, the "Retirement Agreement") and has complied with the terms thereof through the Retirement Date.

(e) 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(e) 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 covenants 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).

(f) 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 2017 Plan, AB determines that 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. Material Risk Taker. Any employee who is designated as a Material Risk Taker under any relevant regulatory regime understands and accepts that any deferred compensation provided pursuant to this Agreement or other deferred compensation plan may be subject to the applicable malus and clawback provisions under the applicable regulatory regime.

9. 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.

10. 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.

11. Payment of Withholding Tax. The provisions set forth in Section 5.03(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.

12. 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 2017 Plan (or such applicable successor provision).

13. 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.

14. Administrator. If at any time there shall be no Committee, the Board shall be the Administrator.

15. 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. Furthermore, the terms and conditions of this Award Agreement shall not apply to the extent that any such term and/or condition is unenforceable under or otherwise inconsistent with applicable state law.

16. 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.

17. 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 the Board upon any questions arising under the Plans and/or this Award Agreement. The Participant acknowledges and accepts that (i) the purpose of the AB Incentive Plan (as defined in the Incentive Compensation Program document) is to enhance the ability of AB and AB Holding to attract, motivate and retain certain key employees and to strengthen their commitment to AB and AB Holding by providing additional incentive compensation awards payable under, and subject to the terms and conditions of, the Incentive Compensation Program, and (ii) the AB Incentive Plan is a "bonus program" as defined in the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the regulations issued thereunder, and is therefore not covered by ERISA.

18. 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 18.

19. 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/ Kate C. Burke  
Kate C. Burke  
Chief Operating Officer &

Chief Financial 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. \$\_\_\_\_\_ 2022 Award
- 2. \$\_\_\_\_\_ 2022 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 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 \$38.84 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 12, 2022.
- 5. Restrictions lapse with respect to the Deferred Cash and AB Holding Units in accordance with the following schedule:

Delivered <sup>[1]</sup> on the <u>Date</u>	<u>Date Indicated</u>	Percentage of Awarded Deferred Cash and AB Holding Units Vested and
--	-----------------------	---

December 1, 2023	33.3%
December 1, 2024	66.6%
December 1, 2025	100.0%

Schedule A  
to  
Award Agreement  
for AB Sales Professionals

1. \$\_\_\_\_\_ 2022 Award\*
2. \$\_\_\_\_\_ 2022 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 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 \$\_\_\_\_\_ 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 12, 2022.
5. Restrictions lapse with respect to the Deferred Cash and AB Holding Units in accordance with the following schedule:

Delivered<sup>1</sup> in the  
Date Date Indicated

Percentage of Awarded Deferred Cash and AB Holding Units Vested and

December 1, 2023 33.3%  
December 1, 2024 66.6%  
December 1, 2025 100.0%

\* The amount of the 2022 Award, 2022 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 2023 and, if the final amounts differ from the estimates stated above, the 2022 Award amount, the amount of the Deferred Cash Award and the number of Restricted Units awarded pursuant to this Agreement will be adjusted accordingly.

<sup>1</sup> Assuming the Participant has not elected to voluntarily defer receipt of Deferred Cash and AB Holding Units.

Schedule B  
to  
Award Agreement  
Retirement Non-Competition Covenant

Competition. The Participant shall not provide any services, in any capacity, whether as an employee, consultant, independent contractor, owner, partner, shareholder, director or otherwise, to any Direct Competitor. "Direct Competitor" means a business that offers or provides products or services that compete directly with any investment management or research products or services which compete directly with a significant investment management or research product or service then offered by AB (a "Competing AB Product or Service"), where the business activities of the Direct Competitor either constitute or can reasonably be expected to constitute meaningful competition for AB; provided that a Direct Competitor shall not include (i) any business focused primarily on the formation and management of private equity or hedge funds that have a substantially different investment focus than any private equity or hedge fund then offered by AB; or (ii) any family office that does not as its principal activity offer to unrelated third parties investment products or services that compete directly with any Competing AB Product or Service (any such business or family office being referred to as a "Permitted Competitor"); and provided further that this exclusion of a Permitted Competitor from the definition of Direct Competitor shall not apply to the extent that the Participant engages in, directs or facilitates the direct or indirect personal solicitation of actual clients of AB (who, to the knowledge of the Participant, also were clients of AB while the Participant was employed by AB) or prospective clients of AB (who, to the knowledge of the Participant, also were prospective clients of AB within the twelve-month period prior to Participant's' departure from AB) on behalf of any Permitted Competitor with respect to any Competing AB Product or Service.

<sup>[1]</sup> Assuming the Participant has not elected to voluntarily defer receipt of Deferred Cash and AB Holding Units.

AB 2017 Long Term Incentive Plan  
Award Agreement

Award Agreement, dated as of May 19, 2022, among AllianceBernstein L.P. ("AB"), AllianceBernstein Holding L.P. ("AB Holding") and DIRECTOR (the "Participant"), a member of the Board of Directors (the "Board") of AllianceBernstein Corporation (the "Corporation"), the general partner of AB and AB Holding.

Whereas, the Board, pursuant to the AB 2017 Long Term Incentive Plan (the "Plan"), a copy of which has been delivered to the Participant, has granted to the Participant an award (the "Award") consisting of the number of units representing assignments of beneficial ownership of limited partnership interests in AB Holding (the "Units") having an aggregate fair value of \$170,000 based on the closing price of a Unit on May 19, 2022, as reported for New York Stock Exchange composite transactions (the "May 19 Closing Price"), which Units are subject to certain restrictions described herein (the "Restricted Units"); 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 the number of Restricted Units set forth in Section 1 of Schedule A, subject to the vesting schedule set forth in Section 2 of Schedule A. The Restricted Units shall be delivered to the Participant promptly after vesting.

2. Account. AB shall establish an uncertificated account (the "Account") with AB's transfer agent, currently Computershare Shareowner Services LLC, representing the Restricted Units or deposit the Restricted Units in a grantor trust maintained by AB generally for this purpose, in either case within a reasonable time after the Participant's execution and delivery of this Award Agreement.

3. Termination. (a) If the Participant's service on the Board terminates for any reason other than the reason specified in Section 3(b) below, any unvested Restricted Units held by the Participant on the date of such termination shall vest immediately and be delivered to the Participant (or the Participant's estate) promptly after the date of such termination.

(b) The Participant shall immediately forfeit any unvested 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 (i) 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), (ii) gross negligence or malfeasance in the performance of the Participant's duties, (iii) 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, (iv) 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 (v) any breach by the Participant of any obligation of confidentiality.

4. 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 the sole stockholder of the Corporation to terminate the service of the Participant at any time for any reason.

5. Non-Transferability. 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 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.

6. Tax. As soon as administratively feasible after each vesting date, AB shall deliver to the Participant the gross number of Restricted Units that have vested. The Participant shall be responsible for payment of any federal, state and/or local taxes relating to the grant and/or delivery of Restricted Units. The Participant should consult a personal tax advisor to ensure any quarterly estimated or other taxes are paid as appropriate.

7. 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 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 receive stock in the resulting corporation in place of the Restricted Units. Any decision by the Board under this Section shall be final and binding upon the Participant.

8. Distributions on Unvested Units. AB Holding shall pay to the Participant cash distributions with respect to any unvested Restricted Units on the same basis as cash distributions are paid to holders of Units.

9. Administrator. The Board shall be the Administrator.

10. Governing Law. This Award Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

11. Entire Agreement; Amendment. This Award Agreement supersedes all existing agreements between the Participant, AB and AB Holding relating to the Restricted Unit awards. It may not be amended except by a written agreement signed by both parties.

12. 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.

13. 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 at 1345 Avenue of the Americas, New York, New York 10105, 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.

14. **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 I.p.

By:  
Mark Manley  
General Counsel

AllianceBernstein Holding I.p.

By:  
Mark Manley  
General Counsel

DIRECTOR

## Schedule A

1. \_\_\_\_\_ Restricted Units have been awarded pursuant to this Award Agreement.

2. Restrictions lapse with respect to the Units in accordance with the following schedule:

Percentage of Units  
Vested on the  
Date Date Indicated

May 19, 2023 33.3%  
May 19, 2024 66.6%  
May 19, 2025 100.0%



**SUMMARY OF ALLIANCEBERNSTEIN L.P.'S LEASE AT**  
**1345 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK**

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## **PARTIES**

Landlord: 1345 Leasehold LLC, a Delaware limited liability company (“Landlord”)

Tenant: AllianceBernstein L.P. (formerly known as Alliance Capital Management L.P.), a Delaware limited partnership (“Alliance”)

## **DOCUMENTS**

Agreement of Lease dated July 3, 1985 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Avenue Corp. as landlord, and Alliance Capital Management Corporation, as tenant (“orig.”)

Supplemental Agreement dated September 30, 1985 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Avenue Corp. as landlord, and Alliance Capital Management Corporation, as tenant (“Sup1”)

Second Supplemental Agreement dated December 31, 1985 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Avenue Corp. as landlord, and Alliance Capital Management Corporation, as tenant

Third Supplemental Agreement dated July 29, 1987 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance Capital Management Corporation, as tenant

Fourth Supplemental Agreement dated February, 1989 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant (“Sup4”)

Fifth Supplemental Agreement dated October 9, 1989 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant (“Sup5”)

Sixth Supplemental Agreement dated December 13, 1991 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant (“Sup6”)

Seventh Supplemental Agreement dated May 27, 1993 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant (“Sup7”)

Eighth Supplemental Agreement dated June 1, 1994 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant (“Sup8”)

Ninth Supplemental Agreement dated August 16, 1994 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant (“Sup9”)

Tenth Supplemental Agreement dated December 31, 1994 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant (“Sup10”)

Eleventh Supplemental Agreement dated April 30, 1995 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant (“Sup11”)

Letter Agreement dated December 21, 1995 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp., Carter-Wallace, Inc., Arnhold and S. Bleichroeder, Inc. and Alliance (“LTR1”)

Letter Agreement dated December 21, 1995 among The Fisher-Sixth Avenue Company, Hawaiian Sixth Ave. Corp. and Alliance

Twelfth Supplemental Agreement dated September 9, 1998 between 1345 Leasehold Limited Partnership and Alliance (“Sup12”)

Letter Agreement dated October 7, 1998 between 1345 Leasehold Limited Partnership and Alliance

Thirteenth Supplemental Agreement dated March 15, 1999 between 1345 Leasehold Limited Partnership and Alliance (“Sup13”)

Fourteenth Supplemental Agreement dated February 8, 2000 between 1345 Leasehold Limited Partnership and Alliance (“Sup14”)

Fifteenth Supplemental Agreement dated August 3, 2000 between 1345 Leasehold Limited Partnership and Alliance (“Sup15”)

Letter dated September 7, 2000 from Alliance to Landlord (“LTR2”)

Sixteenth Supplemental Agreement dated August 31, 2001 between 1345 Leasehold Limited Partnership and Alliance (“Sup16”)

Seventeenth Supplemental Agreement dated October 31, 2001 between 1345 Leasehold Limited Partnership and Alliance (“Sup17”)

Eighteenth Supplemental Agreement dated February 15, 2002 between 1345 Leasehold Limited Partnership and Alliance (“Sup18”)  
Nineteenth Supplemental Agreement dated December 4, 2002 between 1345 Leasehold Limited Partnership and Alliance (“Sup19”)  
Twentieth Supplemental Agreement dated December 4, 2002 between 1345 Leasehold Limited Partnership and Alliance (“Sup20”)  
Letter Agreement dated December 4, 2002 between Alliance and Hearst Communications, Inc. (“LTR3”)  
Twenty-first Supplemental Agreement dated December 22, 2003 between Landlord and Alliance (“Sup21”)  
Twenty-second Supplemental Agreement dated October 31, 2004 between Landlord and Alliance (“Sup22”)  
Twenty-third Supplemental Agreement dated June 30, 2007 between Landlord and Alliance (“Sup23”)  
Twenty-fourth Supplemental Agreement dated July 31, 2007 between Landlord and Alliance (“Sup24”)  
Twenty-fifth Supplemental Agreement dated July 31, 2007 between Landlord and Alliance (“Sup25”)  
Twenty-sixth Supplemental Agreement dated July 31, 2007 between Landlord and Alliance (“Sup26”)  
Twenty-seventh Supplemental Agreement dated August 30, 2008 between Landlord and Alliance (“Sup27”)  
Twenty-eighth Supplemental Agreement dated May 2, 2014 between Landlord and Alliance (“Sup28”)

#### Cleaning Agreements

Cleaning Agreement (“CAO”) dated August 16, 1994 between 1345 Cleaning Service Co. (“Original Cleaning Contractor”) and Alliance regarding the office space  
First Amendment to Cleaning Agreement (“CAO-1”) dated December 31, 1994 between Original Cleaning Contractor and Alliance  
Second Amendment to Cleaning Agreement (“CAO-2”) dated April 30, 1995 between Original Cleaning Contractor and Alliance  
Third Amendment to Cleaning Agreement (“CAO-3”) dated September 9, 1998 between Original Cleaning Contractor and Alliance  
Fourth Amendment to Cleaning Agreement (“CAO-4”) dated February 8, 2000 between Original Cleaning Contractor and Alliance  
Fifth Amendment to Cleaning Agreement (“CAO-5”) dated August 3, 2000 between Original Cleaning Contractor and Alliance  
Sixth Amendment to Cleaning Agreement (“CAO-6”) dated August 31, 2001 between Original Cleaning Contractor and Alliance  
Seventh Amendment to Cleaning Agreement (“CAO-7”) dated October 31, 2001 between Original Cleaning Contractor and Alliance  
Eighth Amendment to Cleaning Agreement (“CAO-8”) dated February 15, 2002 between Original Cleaning Contractor and Alliance  
Ninth Amendment to Cleaning Agreement (“CAO-9”) dated October 31, 2004 between Original Cleaning Contractor and Alliance  
Tenth Amendment to Cleaning Agreement (“CAO-10”) dated July 31, 2007 between 1345 Cleaning Service Company II, L.P. (“Cleaning Contractor”) and Alliance  
Eleventh Amendment to Cleaning Agreement (“CAO-11”) dated July 31, 2007 between Cleaning Contractor and Alliance  
Twelfth Amendment to Cleaning Agreement (“CAO-12”) dated July 31, 2007 between Cleaning Contractor and Alliance  
Cleaning Agreement (“CAG”) dated as of March 15, 1999 between Original Cleaning Contractor and Alliance regarding the ground floor space

#### SNDAs

Subordination, Non-Disturbance and Attornment Agreement (Ground Lease) dated August 3, 2000 between 1345 Fee Limited Partnership, as owner, and Alliance, as tenant (“SNDA-G”)

Subordination, Nondisturbance and Attornment Agreement dated July 6, 2005 between Alliance, Morgan Stanley Mortgage Capital Inc. and UBS Real Estate Investments Inc. (“SNDA-M”)

First Amendment to Subordination, Nondisturbance and Attornment Agreement dated July 6, 2005 between Alliance and LaSalle Bank National Association, as Trustee

**DEMISED PREMISES**

<b>Floor (entire floor unless otherwise noted)</b>	<b>Delivery Date</b>
Concourse (part) (Sup15 §23(a), Sup17 §13, Sup23 §2a)	Delivered.
Ground Floor (part) **	The Ground Floor (part) formerly leased to Alliance has been surrendered and deleted from the demised premises. Landlord has leased the Ground Floor (part) to Wachovia Bank, National Association ("Wachovia") pursuant to the Agreement of Lease dated December 22, 2003 (the "Wachovia Lease"), for a term coterminous with Alliance's lease which Wachovia may extend pursuant to its three 5-year extension options. If the term of the Wachovia Lease expires or terminates prior to the expiration or termination of Alliance's lease, then, on the day after said termination, the Ground Floor (part) will be added back to the demised premises on substantially the same terms (including the rent terms) as were in effect prior to its surrender and deletion from the demised premises (Sup21 §3). For more information regarding the terms of the surrender of Ground Floor part, see below.
2, 8, 9, 11 through 14 (Sup15 §2(a); Ltr2; Sup16 §11)	Delivered.
10 (Sup19 §3(a)) ***	Delivered.
15 (Sup12 §2(a))	Delivered.
16 (Sup12 §2(b))	Delivered.
17 (Sup16 §2(b); Sup17 §2(b); Sup18 §2(b); Sup22 §2(b))	Delivered.
31 (part) (Sup7 §2(c))	Delivered.
31 (part) (Sup24 §2(a))	Delivered.
32 (Sup6 §2)	Delivered.
33 (Sup7 §2(a))	Delivered.
34 (NW Cor. 94) (Sup8 §2(a))	Delivered.
34 (NW Cor. 95) (Sup8 §1(c))	Delivered.

34 (balance) (Sup7 §2(b))	Delivered.
35 (Sup14 §2(a))	Delivered.
36 (Sup14 §2(b))	Delivered.
37 (NE Cor.) (orig. intro.)	Delivered.
37 (NW Cor.) (orig. §46.01)	Delivered.
37 (SE Cor.) (Sup1 §2)	Delivered.
37 (SW Cor.) (Sup5 §2)	Delivered.
38 (orig. intro.)	Delivered.
39 (Sup4 §2)	Delivered.
40 and 41 (Sup9 §3(a); LTR1 par 2)	Delivered.
42 (Sup25 §2(a))	Delivered.
43 and 44 (Sup26 §2(a))	Delivered.

**\*\*Ground Floor (part):**

For a summary of the payments Alliance makes in lieu of rent and the credits Alliance receives in respect of the Ground Floor (part), see Monthly Fixed Rent, Tax Escalation and Expense Escalation. Other terms of the surrender and deletion of Ground Floor (part) from the demised premises are summarized below.

- **Enforcement:** Landlord will make reasonable efforts to enforce the Wachovia Lease (including the rent obligations). If Wachovia defaults under the Wachovia Lease, then Alliance may, at its option, participate in any action Landlord takes in respect of said default. If Landlord does not take any action, then Alliance may, at its option, (1) cause the Landlord to assign its right to proceed against Wachovia, in which case Alliance may then proceed directly against Wachovia provided that Alliance indemnifies Landlord from any loss arising from such action, or (2) require the Landlord to proceed against Wachovia in which case Alliance will reimburse Landlord within 30 days after demand for any reasonable out-of-pocket expenses incurred by Landlord in respect of enforcing the Wachovia Lease (Sup21 §4(f)).
- **Amendments, Terminations, Extensions and Consents:** Landlord is prohibited from amending the Wachovia Lease or waiving any provision thereof without first obtaining Alliance's consent. Alliance must be reasonable in respect of consenting to any amendment that would not have an economic or adverse impact on Alliance and Alliance's failure to respond to a request for such a consent within 5 business days of receipt is deemed consent. Landlord is prohibited from terminating the term of the Wachovia Lease except in the event of a default thereunder or extending the term of the Wachovia Lease except pursuant to the express provisions thereof without first obtaining Alliance's consent (Sup21 §5(a)). Landlord is prohibited from granting its consent to any matter contemplated by the Wachovia Lease (e.g., subleases and alterations) without first obtaining Alliance's consent. Alliance's rights in respect of Wachovia signage is summarized in more detail below. Alliance is required to be reasonable in granting its consent to any such matter if Landlord is obligated to be reasonable under the Wachovia Lease. Alliance is required to respond in the same time period as Landlord is obligated to

respond to any request for consent and Alliance will be deemed to have given its consent if it fails to respond (Sup21 §5(c); LTR3 §3).

- **Signage:** Wachovia is prohibited from displaying signage on the window, doors or the exterior of the perimeter walls of its demised premises unless Wachovia obtains the prior written reasonable consent of the Landlord and said signage is in conformity with the building standard sign program (Wachovia Lease §46.2(e)). However, Wachovia has the right to install signage on the interior and exterior of the demised premises that conforms with Wachovia's standard national or NYC signage program provided that said signage pertains primarily to general retail banking, safe deposits or electronic banking and not to certain permitted ancillary uses (e.g. brokerage, insurance, investment services). Nevertheless, Wachovia has the right to display temporary signage which describes said ancillary uses in certain designated areas provided that Wachovia is obligated to remove said signage if either Landlord or Alliance reasonably believes that said temporary signage is not in keeping with the quality or character of the building. The size and location of signage on or visible from the exterior of the Ground Floor (part) is subject to the reasonable approval and Landlord and Alliance. Wachovia also has the right to display promotional banners provided the size, color and location of said banners is subject to the reasonable approval of Landlord and Alliance. Landlord's (and, therefore, Alliance's) failure to respond within 15 business days to any request for consent regarding signage is deemed consent (Wachovia Lease §46.3(a)).
- **Assignment/Subletting Profits:** Landlord and Alliance will share equally any sublease or assignment of lease profits payable to Landlord under the Wachovia Lease (Sup21 §6(a)).
- **Hold Over by Wachovia:** If Wachovia holds over following the termination of the Wachovia Lease term, then Landlord will promptly commence summary dispossess proceedings and will use commercially reasonable efforts to evict Wachovia. Landlord will pay to Alliance any amounts recovered from Wachovia arising from said proceedings after first deducting Landlord's actual out-of-pocket expenses, provided that if the amounts paid over by Landlord exceed the sums paid by Alliance in respect of the Ground Floor (part) for the corresponding period, then Landlord will be permitted to retain 50% of said excess (Sup21 §8).
- **Reimbursement of Landlord on Account of Payments to Cushman & Wakefield, Inc.:** Alliance will reimburse Landlord up to \$601,854.52 in respect of any amounts paid by Landlord to Cushman & Wakefield, Inc. arising from Sup21 (Sup21 §10).

## **MONTHLY FIXED RENT**

### **Concourse (part):**

Approximately 3,000 rsf:

12/01/01 through 11/30/06: \$7,000 (Sup17 §13(b)(i))  
12/01/06 through 11/30/11: \$8,250 (Sup17 §13(b)(ii))  
12/01/11 through 12/31/19: \$9,500 (Sup17 §13(b)(iii))

Balance of Concourse Space Leased Pursuant to Sup15:

Date the concourse space (or portion thereof) is included in the demised premises through the day before the 5<sup>th</sup> anniversary of such inclusion date: \$28 per rsf (Sup15 §23(d)).

5<sup>th</sup> anniversary of such inclusion date through the day before the 10<sup>th</sup> anniversary of such inclusion date: \$33 per rsf (Sup15 §23(d)).

10<sup>th</sup> anniversary of such inclusion date through 12/31/19: \$38 per rsf (Sup15 §23(d)).

Concourse Space Leased Pursuant to Sup23:

Date the concourse space is included in the demised premises through the day before the 5<sup>th</sup> anniversary of such inclusion date: \$9,616.25 (Sup23 §3(a)(1)).

5<sup>th</sup> anniversary of such inclusion date through the day before the 10<sup>th</sup> anniversary of such inclusion date: \$10,440.50 (Sup23 §3(a)(2)).

10<sup>th</sup> anniversary of such inclusion date through 12/31/19: \$11,264.75 (Sup23 §3(a)(3)).

### **Ground Floor (part) - Payments in Lieu of Rent and Credits:**

Notwithstanding that the Ground Floor (part) has been deleted from the demised premises, Alliance is obligated to pay monthly installments equal to the fixed rent and the tax and operating expense escalation payments Alliance would have been obligated to pay had the Ground Floor (part) not been deleted from the demised premises. The rate for the payment in lieu of the fixed rent payment is described below and the payments in lieu of the tax and operating expense escalations are described in the applicable portions of this summary.

#### **Payment in Lieu of Fixed Rent**

01/16/05 through 01/15/10: \$58,333.33 (Sup13 §3(a)(2))

01/16/10 through 12/31/19: \$62,500.00 (Sup13 §3(a)(3); Sup20 §3(b))

#### **Wachovia Credit**

Wachovia pays monthly installments of fixed rent as follows (assuming that the lease commencement date was January 1, 2004):

06/01/07 through 05/31/10: \$107,662.50  
06/01/10 through 05/31/13: \$118,428.75  
06/01/13 through 05/31/16: \$130,271.58  
06/01/16 through 12/30/19: \$143,298.79

Wachovia also pays a tax escalation based on a 0.483% share of the excess over a 2003/04 base year.

Each month, Landlord and Alliance apportion the fixed rent and tax escalation payments (if any) made by Wachovia that month and the portion to which Alliance is entitled is a credit against rent next payable. The apportionment is done as follows:

First, to Alliance up to the sum of the fixed rent and tax and operating expense escalation payments Alliance made for such month in respect of the Ground Floor (part);

Second, to Alliance up to \$10,408.26 a month provided that the aggregate of such installments cannot exceed \$1,935,941.10;

Third, to Landlord up to \$2,889.79 a month provided that the aggregate of such installments cannot exceed \$537,500; and

Finally, any remainder is shared equally between Landlord and Tenant (Sup21 §4).

2<sup>nd</sup>, 8<sup>th</sup>, 9<sup>th</sup>, 11<sup>th</sup> through 14<sup>th</sup> Floors:

09/01/04 through 08/31/09: \$1,419,941.25 (Sup15 §3(a); Sup19 §26))

09/01/09 through 08/31/14: \$1,532,635.00 (Sup15 §3(a); Sup19 §26)

09/01/14 through 12/31/19: \$1,645,328.75 (Sup15 §3(a); Sup19 §26))

This schedule assumes that all of this space was delivered simultaneously on May 1, 2004. It was anticipated, however, that floors 8 and 9 would be delivered six months after Floors 2, 11-14 are delivered (Sup16 §11). If that occurred, the commencement and subsequent increases in fixed rent for Floors 8 and 9 occurs six months after the commencement of and subsequent increases in fixed rent for Floors 2, 11-14.

For the extended term of January 1, 2020 through December 31, 2024 with respect to the premises located on Floor 8: \$235,905.58 (Sup28 §2)

10<sup>th</sup> Floor:

From the termination or expiration of the Hearst Lease through 04/30/09: \$203,589.75 (Sup19 §3(b)(1))

05/01/09 through 04/30/14: \$219,747.67 (Sup19 §3(b)(2))

05/01/14 through 12/31/19: \$235,905.58 (Sup19 §3(b)(3))

15<sup>th</sup> Floor:

12/01/04 through 11/30/10: \$172,851.87 (Sup12 §3(a)(1))

12/01/09 through 12/31/16: \$189,313.95 (Sup12 §3(a)(1))

01/01/17 through 12/31/19: Rent for the 15th, 16th, 31st (part), 32nd-41st floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b)); Sup20 §3(a)).

16<sup>th</sup> Floor:

05/01/05 through 04/30/09: \$172,851.87 (Sup12 §3(b)(1))

05/01/10 through 12/31/16: \$189,313.95 (Sup12 §3(b)(1))

01/01/17 through 12/31/19: Rent for the Ground (part), 15th, 16th, 31st (part), 32nd-41st floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

17<sup>th</sup> Floor:

02/01/07 through 01/31/12:

\$90,995.33 (Sup16 §3(a)) + \$35,054.00 (Sup17 §3(a)) + \$14,104.33 (Sup18 §3(a)) + \$65,104.58 (Sup22 §3(a)) = \$205,258.24

02/01/12 through 12/31/19:

\$97,686.17 (Sup16 §3(a)) + \$37,631.50 (Sup17 §3(a)) + \$15,141.42 (Sup18 §3(a)) + \$70,161.25 (Sup22 §3(a)) = \$220,620.34

\*Fixed annual rent on the portion of the 17<sup>th</sup> floor demised under the 22<sup>nd</sup> Supplemental Agreement is abated through July 31, 2005.

31<sup>st</sup> Floor (part):

7/1/94 through 10/31/09: \$45,180.84 (Sup7 §3(c))

11/1/09 through 12/31/16: For the aggregate of Floors 31 (part)-34 and 37-39, \$1,031,773.10 (Sup9 §4(b)). Note that by 11/1/09, Floors 31 (part)-34 and 37-39 are scheduled to have check meters and, therefore, Alliance will be charged separately for electricity for such floors instead of paying electricity charges as a "rent inclusion factor" included in fixed rent for such floors.

01/01/17 through 12/31/19: Rent for the 15th, 16th, 31st (part), 32nd-41st floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than

concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

31<sup>st</sup> Floor (part):

commencement through April 30, 2015: \$194,794.67 (Sup24 §3(a)(1)), except that the first 5 months are abated (Sup24 §3(b)).

5/1/09 through 12/31/19: \$209,616 (Sup24 §3(b)).

32<sup>nd</sup> Floor:

05/01/94 through 10/31/09: \$120,936.94 (Sup6 §3(a) and §7(b); Sup7 §7))

11/1/09 through 12/31/16: For the aggregate of Floors 31 (part)-34 and 37-39, \$1,031,773.10 (Sup9 §4(b)). Note that by 11/1/09, Floors 31 (part)-34 and 37-39 are scheduled to have check meters and, therefore, Alliance will be charged separately for electricity for such floors instead of paying electricity charges as a "rent inclusion factor" included in fixed rent for such floors.

01/01/17 through 12/31/19: Rent for the Ground (part), 15th, 16th, 31st (part), 32nd-41st floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

33<sup>rd</sup> Floor:

1/1/94 through 10/31/09: \$105,185.28 (Sup7 §3(a)(i) and §7)

(Note: Calendar 1994's rent is deferred and will be paid in monthly installments of \$11,007.76 beginning July 1, 1995 through December 1, 2004 with \$7,339.00 due on January 1, 2005 (Sup7 §3(a)(ii)). (Rent for the first half of calendar 1995 is deferred and will be paid in monthly installments of \$3,668.76 due on January 1, 2005 and \$11,007.76 per month beginning February 1, 2005 through October 1, 2009 (Sup7 §3(a)(iii)).

11/01/09 through 12/31/16: For the aggregate of Floors 31 (part)-34 and 37-39, \$1,031,773.10 (Sup9 §4(b)). Note that by 11/1/09, Floors 31 (part)-34 and 37-39 are scheduled to have check meters and, therefore, Alliance will be charged separately for electricity for such floors instead of paying electricity charges as a "rent inclusion factor" included in fixed rent for such floors.

01/01/17 through 12/31/19: Rent for the 15th, 16th, 31st (part), 32nd-41st floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

34<sup>th</sup> Floor:

05/01/99 through 10/31/09: \$114,614.66 (Sup7 §3(b) and §7)

11/01/09 through 12/31/16: For the aggregate of Floors 31 (part)-34 and 37-39, \$1,031,773.10 (Sup9 §4(b)). Note that by 11/1/09, Floors 31 (part)-34 and 37-39 are scheduled to have check meters and, therefore, Alliance will be charged separately for electricity for such floors instead of paying electricity charges as a "rent inclusion factor" included in fixed rent for such floors.

01/01/17 through 12/31/19: Rent for the 15th, 16th, 31st (part), 32nd-41st floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

35<sup>th</sup> Floor:

08/01/05 through 07/31/10: \$215,974.08 (Sup14 §3(a)(1))

08/01/10 through 12/31/16: \$232,979.92 (Sup14 §3(a)(1))

01/01/17 through 12/31/19: Rent for the 15th, 16th, 31st (part), 32nd-41st floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

36<sup>th</sup> Floor (assuming that the space is delivered on 07/01/01, as anticipated):

08/01/05 through 07/31/10: \$216,201.63 (Sup14 §3(b)(1))

08/01/10 through 12/31/16: \$233,225.38 (Sup14 §3(b)(1))

01/01/17 through 12/31/19: Rent for the 15th, 16th, 31st (part), 32nd-41st floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

37<sup>th</sup>, 38<sup>th</sup> and 39<sup>th</sup> Floors:

11/01/06 through 10/31/09: \$437,872.58 (Sup7 §7)

11/01/09 through 12/31/16: For the aggregate of Floors 31 (part)-34 and 37-39, \$1,031,773.10 (Sup9 §4(b)). Note that by 11/1/09, Floors 31 (part)-34 and 37-39 are scheduled to have check meters and, therefore, Alliance will be charged separately for electricity for such floors instead of paying electricity charges as a "rent inclusion factor" included in fixed rent for such floors.

01/01/17 through 12/31/19: Rent for the Ground (part), 15th, 16th, 31st (part), 32nd-41st floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b)).

40<sup>th</sup> and 41<sup>st</sup> Floors:

Through 11/30/16: \$422,395.67 (Sup11 §2(c)(i); LTR1)

01/01/17 through 12/31/19: Rent for the 15th, 16th, 31st (part), 32nd-41st floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

42<sup>nd</sup> Floor

Through 4/30/11: \$214,170.05 (Sup25 §3(a)(i)).

5/1/11 through 9/30/11: Abated (Sup25 §3(b)).

10/1/11 through 4/30/16: \$337,624.00 (Sup25 §3(a)(ii)).

5/1/16 through 12/31/19: \$362,242.41 (Sup25 §3(a)(iii)).

Note that by 5/1/11, Floor 42 is scheduled to have check meters and, therefore, Alliance will be charged separately for electricity for Floor 42 instead of paying electricity charges as a "rent inclusion factor" included in fixed rent for Floor 42.

43<sup>rd</sup> and 44<sup>th</sup> Floors

commencement through 4/30/12: \$670,920.00 (Sup26 §3(a)(i)), except that the first 131 days are abated (Sup26 §3(b))

5/1/12 through 4/30/17: \$740,807.50 (Sup26 §3(a)(ii))

5/1/17 through 12/31/19: \$810,695 (Sup26 §3(a)(iii))

28th Supplemental Agreement

Fixed Rent is increased by \$6,463.17 per month from May 2, 2014 through December 31, 2024.

ELECTRICITY

<i>Check Meters:</i>	All floors have check meters except for Floors 31 (part), 32-34, and 37-39, which will have check meters on or before November 1, 2009 (Sup9 §5) and Floor 42, which will have check meters on or before May 1, 2011 (Sup25 §4(c)(i)). The check meters measure electricity demand and consumption for each floor during a calendar month. Alliance pays Landlord, within 30 days after receipt of a bill, Landlord's cost of the electricity consumed based on the applicable rate charged to the Landlord by the supplying utility, plus a 2% administrative fee (Sup9 §5(b) and (c); Sup12 §4(b) and (c); Sup14 §4(b) and (c); Sup15 §4(b) and (c); Sup22 §4(b); Sup24 §4(b); Sup25 §4(c); Sup26 §4(b)). Landlord will provide check meters for any portion of the Concourse (part) space measuring at least 3,000 contiguous rsf (Sup15 §23(f)(i)). If the check meters for Floors 31 (part), 32-34, and 37-39 are not installed by November 1, 2009, then Alliance will pay Landlord what Landlord's electrical consultant determines to be Landlord's cost for such electricity, provided that Alliance may dispute such determination in accordance with a specified procedure.
<i>Dispute:</i>	Each bill is binding on Alliance unless Alliance disputes such bill within 90 days of receipt. In case of a dispute, Alliance's electrical consultant will submit its determination within such 90 day period and Landlord and Alliance will seek a resolution. Upon Alliance's request, Landlord will make available its utility bills for the building for at least the last 3 years. If Landlord and Alliance cannot agree, they will choose a third electrical consultant to perform a limited review (Sup12, §5(c)(ii); Sup12 §4(c)(ii); Sup14 §4(c)(ii); Sup15 §4(c)(ii); Sup22 §4(c)(ii); Sup24 §4(c)(ii); Sup25 §4(c)(iii); Sup26 §4(b)).
<i>Wattage:</i>	6 watts per usable square foot excluding building HVAC systems and other base building systems (Sup9 §5(e); Sup12 §4(e); Sup14 §4(e); Sup15 §4(e); Sup22 §4(e); Sup24 §4(e); Sup25 §4(e); Sup26 §4(e)).
<i>Additional Capacity:</i>	Upon notice from Alliance, Landlord will provide Alliance with (1) an additional 400 amperes in the aggregate for the 15 <sup>th</sup> and 16 <sup>th</sup> floors (Sup12 §4(e)), and (2) up to another 1,800 amperes for the entire demised premises (Sup14 §4(f)). Such notice will be given by Alliance on or before, with regard to the 15 <sup>th</sup> and 16 <sup>th</sup> floors, the date Alliance delivers to Landlord its plans for its initial fit-out of the 15 <sup>th</sup> floor (but in no event later than June 30, 2001), and, with regard to the rest of the demised premises, by December 31, 2001 (Sup12 §4(e) and Sup14 §4(e)). Alliance is responsible for any construction costs it would incur in connection with alterations relating to such additional electricity supply, as well as a pro-rata share of Landlord's construction costs (Sup12 §4(e); Sup14 §4(e); and Sup15 §4(f)).
<i>Discontinuance of Service:</i>	Landlord may discontinue furnishing electricity to Alliance only if Landlord simultaneously discontinues service to 80% of the other building tenants (Sup15 §4(d)), upon 60 days' written notice, provided such period is extended as reasonably necessary to permit Alliance to obtain electricity from the utility company servicing the Building. In such case, Alliance may use the existing wiring. The cost of installation of any additional wiring will be borne, if such discontinuance is voluntary, by Landlord, and if such discontinuance is involuntary, by Landlord and Alliance with Alliance's share equal to the total cost of such additional wiring multiplied by a fraction, the numerator of which is remaining months of the Lease term and the denominator of which is as follows:

<u>Floor(s)</u>	<u>Denominator</u>
2, 8-14	188 (Sup15 §4(d))
15, 16	248 (Sup12 §4(d) and (h); Sup15 §4(d))
17	182 for the space demised by Sup22, 214 for the space demised by Sup18 and 219 for all other space on Floor 17 (Sup22 §4(d)).
31 (part), 32-34, 37-41	294 (Sup9 §15(d); Sup15 §4(d))
31 (part)	116 (Sup24 §4(d))
35 and 36	237 (Sup14 §4(d); Sup15 §4(d))
42	150 (Sup25 §4(d))
43 and 44	104 (Sup26 §4(d))

*Electricity Rent Inclusion Factor for Floors 31 (part), 32-34, and 37-39:*

Until November 1, 2009, the charge for electricity for Floors 31 (part), 32-34, and 37-39 (the “ERIF”) is included in fixed annual rent (orig. §7.02(a)). Such charge, however, is separately quantified (as listed below) and is subject to increase or decrease (but in no event below \$2.75 per s.f. per annum) in proportion to increases or decreases in Landlord’s electricity costs for the building (orig. §7.02(a)).

<b>Floor (entire floor unless otherwise noted)</b>	<b>Original ERIF</b>
31(part), 33, 34	\$249,902.46 (Sup7 §3(g))
32	\$104,337.75 (Sup6 §3(c))
37 (NE Cor.), 38	\$127,187.50 (orig. §7.02(a))
37 (NW Cor.)	\$27,500.00 (orig. §46.02(d))
37 (SE Cor.)	\$13,750.00 (Sup1 §3(e))
37 (SW Cor.)	\$27,912.50 (Sup5 §3(c))
39	\$96,937.50 (Sup4 §3(c))

A determination by Landlord of a change in the ERIF as a result of a survey of electrical consumption in the Demised Premises will be binding on Alliance unless Alliance disputes such determination within 15 days of receipt of such determination. If Alliance disputes such determination, it will have its own electrical consultant at its own cost, attempt to resolve the dispute in consultation with Landlord's electrical consultant. If they cannot agree on a resolution, they will choose a third electrical consultant who's decision will control (orig. §7.03(b)).

Until May 1, 2011, the charge for electricity for Floor 42 is included in fixed annual rent. The initial amount of such charge is \$5.81 per s.f. and is subject to increase or decrease (but in no event below \$5.81 per s.f. per annum) in proportion to increases or decreases in Landlord's electricity costs for the building as well based on Alliance's electricity consumption. A determination by Landlord of a change in the rent inclusion charge as a result of a survey of electrical consumption in the Demised Premises will be binding on Alliance unless Alliance disputes such determination within 30 days of receipt of such determination. If Alliance disputes such determination, it will have its own electrical consultant at its own cost attempt to resolve the dispute in consultation with Landlord's electrical consultant. If they cannot agree on a resolution, they will choose a third electrical consultant who's decision will control (Sup25 §4(b)).

*Electricity Rent Inclusion Factor  
for 42<sup>nd</sup> Floor:*

*Supplies:*

At Landlord's option, Alliance is required to purchase (for a reasonable charge) from Landlord all lighting tubes, lamps, bulbs and ballasts used in the demised premises (orig. §7.05(b)).

*Concourse Space:*

Subject to the following sentence, for any portion of the demised premises located on the concourse consisting of less than 3,000 contiguous rsf, Alliance will pay an ERIF of \$0.75/rsf, subject to increase if Alliance uses the space for anything other than storage (Sup15 §23(f)(ii)). For the portion of the demised premises located on the concourse and leased pursuant to Sup23, however, Landlord will provide electricity at no additional charge provided that if Landlord determines on a reasonable basis that Alliance is consuming excessive electricity, then Landlord may commence charging Alliance for such electricity on either (at Landlord's option) a rent inclusion or submeter basis.

**TAX ESCALATION**

<b><u>FLOOR</u></b>	<b><u>BASE YEAR</u></b>	<b><u>PERCENTAGE</u></b>
Ground Floor (part)	1999/2000 (Sup13§3(c)(1)).	0.483% (Sup13 §3(c)(2))
2, 8, 9, 11-14	Average of 2000/01 and 2001/02 (Sup15 §3(d)(i)).	14.72% (Sup15 §3(d)(ii); Sup19 §2(d))
10	Average of 2000/01 and 2001/02 (Sup15 §3(d)(i)).	2.11% (Sup19 §3(d))
15	1999/2000 (Sup12 §3(a)(4)(a)).	2.150% (Sup12 §3 (a)(4)(b))
16	1999/2000 (Sup12 §3(b)(4)(a)).	2.150% (Sup12 §3(b)(4)(b))
17	Average of 2000/01 and 2001/02 (Sup16 §3(d)(i); Sup17 §3(d)(i); Sup18 §3(d)(i)) Except with respect to the Sup22 17 <sup>th</sup> floor space, for which it is the average of 2003/04 and 2004/05 (Sup22 §3(d)(i)).	2.147% (Sup16 §3(d)(ii); Sup17 §3(d)(ii); Sup18 §3(d)(ii); Sup22 §3(d)(ii))
31 (part), 33, 34	Average of 1994/95 and 1995/96 (Sup7 §3(f)(i)). Beginning on 11/01/09, changed to 1995/96 (Sup9 §4(e)).	5.130% (Sup7 §3(f)(ii))
31 (part)	Average of 2007/08 and 2008/09 (Sup24 §3(d)(i)).	1.35% (Sup24 §3(d)(ii))
32	1993/94 (Sup6 §3(b)(i)). Beginning on 11/01/09, changed to 1995/96 (Sup9 §4(e)).	2.150% (Sup6 §3(b)(ii))
35	2000/01 (Sup14 §3(a)(4)(a)).	2.150% (Sup14 §3(a)(4)(b))
36	2000/01 (Sup14 §3(b)(4)(a)).	2.150% (Sup14 §3(b)(4)(b))
37 (NE Cor.), 38	1985/86 (orig. §4.01(a)(i)). Beginning on 11/01/09, changed to 1995/96 (Sup9 §4(e)).	2.820% (orig. §4.01(a)(ii))
37 (NW Cor.)	1985/86 (orig. §4.01(a)(i)). Beginning on 11/01/09, changed to 1995/96 (Sup9 §4(e)).	0.610% (orig. §46.02(b))
37 (SE Cor.)	1985/86 (Sup1 §3(a)). Beginning on 11/01/09, changed to 1995/96 (Sup9 §4(e)).	0.300% (Sup1 §3(b))

37 (SW Cor.)	1988/89 (Sup5, §3(b)(i)). Beginning on 11/01/09, changed to 1995/96 (Sup9 §4(e)).	0.618% (Sup5 §3(b)(ii))
39	1988/89 (Sup4 §3(b)(i)). Beginning on 11/01/09, changed to 1995/96 (Sup9 §4(e)).	2.150% (Sup4 §3(b)(ii))
40, 41, 45	1995/96 (Sup9 §4(d)(i)).	6.446% (Sup10 §2(a))
42	1988/89 (Sup25 §3(d)(i)(a)). Beginning on 5/1/11, changed to average of 2007/08 and 2008/09 (Sup25 §3(d)(i)(b)).	2.24% (Sup25 §3(d)(ii))
43 and 44	Average of 2007/08 and 2008/09 (Sup26 §3(d)(i)).	4.45% (Sup26 §3(d)(ii))

**Due Date:** 6/1 and 12/1 of each comparative year, subject to rescheduling based on the date tax payments are due from Landlord (orig §4.01(b)(1)).

**Audit/Dispute:** Landlord's real estate tax statements given to Alliance are binding unless Alliance challenges such statement in writing within 90 days (Sup7 §6(d)) of receipt. Alliance must make payments in accordance with the statement pending dispute resolution (orig §4.01(b)(4)).

**Tax Increase upon Disposition:** Under certain circumstances, if, as a result of the sale of an interest in the property or entity owning the property, the real estate taxes increase, Alliance will receive an abatement of the resulting escalation, and thereafter this Lease provision is deleted. Under certain circumstances, if, after Fisher-Sixth Avenue Company's or a Fisher family affiliate's purchase of Hawaiian Sixth Avenue Corp.'s or its successor's interest in the property or the entity owning the property, as a result of a sale of a less than majority interest in the property or the entity owning the property or the admission into the entity owning the property of an entity owning less than a majority interest in such entity, the real estate taxes increase, Landlord will pay Alliance \$1,500,000.00 (Sup9 §15; Sup12 §17).

**Building Square Footage:** Total rentable area of the office and store space in the building is 1,641,000 sf for tax escalation purposes (orig §4.01(a)(ii)).

**Concourse Space:** Alliance will pay a tax escalation for its concourse space only if the previous tenant of such space was subject to a tax escalation. The base year for any such escalation will be the average of 2000/01 and 2001/02 (Sup15, §23(g)).

**Floor 8 Extended Term:** Tax escalation additional rent will continue to be payable with respect to the premises located on Floor 8 floor for the extended term of January 1, 2020 through December 31, 2024 provided that the percentage with respect to such premises will be 2.11%. (Sup28 §2)

**EXPENSE ESCALATION**

<b><u>Floor</u></b>	<b><u>Base</u></b>	<b><u>Percentage</u></b>
Ground (part)	Expenses for 1999 calendar year (Sup13 §3(c)(3)).	0.483% (Sup13 §3(c)(4))
2, 8, 9, 11-14	Expenses for 2001 calendar year (Sup15 §3(d)(ii)).	15.67% (Sup15 §3(d)(iv); Sup19 §2(c))
15	Expenses for 1999 calendar year (Sup12 §3(a)(4)(c)).	2.290% (Sup12 §3(c)(4)(d))
16	Expenses for 1999 calendar year (Sup12 §3(b)(4)(c)).	2.290% (Sup12 §3(b)(4))
17	Expenses for 2001 calendar year (Sup16 §3(d)(iii); Sup17 §3(d)(iii); Sup18 §3(d)(iii)), except for the Sup22 17 <sup>th</sup> floor space, for which it is 2004 (Sup22 §3(d)(iii)).	2.288% (Sup16 §3(d)(iv); Sup17 §3(d)(iv); Sup18 §3(d)(iv) and Sup22 §3(d)(iv))
31 (part), 33, 34	Expenses for 1995 calendar year (Sup7 §3(f)(iii); Sup9 §4(e)).	5.450% (Sup7 §3(f)(iv))
31 (part)	Expenses for 2008 calendar year (Sup24 §3(d)(iii)).	1.43% (Sup24 §3(d)(iv))
32	Expenses for 1993 calendar year (Sup6 §3(b)(iii)). As of 11/01/09, changed to expenses for calendar year 1995 (Sup9 §4(e)).	2.290% (Sup6 §3(b)(iv))
35	Expenses for 2000 calendar year (Sup14 §3(a)(4)(c)).	2.290% (Sup14 §3(a)(4)(d))
36	Expenses for 2000 calendar year (Sup14 §3(b)(4)(c)).	2.290% (Sup14 §3(b)(4)(d))
37 (NE Cor.) and 38	\$6,509,748 (orig §5.01(a)(i)). As of 11/01/09, changed to expenses for 1995 calendar year (Sup9 §4(e)).	3.000% (orig §5.01(a)(iv))
37 (NW Cor.)	\$6,509,748 (orig. §5.01(a)(i)). As of 11/01/09, changed to expenses for 1995 calendar year (Sup9 §4(e)).	0.650% (orig. §46.01(b))
37 (SE Cor.)	\$6,509,748 (Sup1 §5.01(a)(i)). As of 11/01/09, changed to expenses for calendar year 1995 (Sup9 §4(e)).	0.330% (Sup1 §3(c))

37 (SW Cor.)	Expenses for calendar year 1989 (Sup5 §3(b)(iii)). As of 11/01/09, changed to expenses for calendar year 1995 (Sup9 §4(e)).	0.659% (Sup5 §3(b)(iv))
39	Expenses for calendar year 1989 (Sup4 §3(b)(iii)). As of 11/01/09, changed to expenses for calendar year 1995 (Sup9 §4(e)).	2.290% (Sup4 §3(b)(iv))
40, 41	Expenses for calendar year 1995 (Sup9 §4(d)9iii).	6.865% (Sup11 §2(c))
42	Expenses for calendar year 1989 (Sup25 §3(d)(iii)(a)). As of 5/1/11, changed to expenses for calendar year 2008 (Sup25 §3(d)(iii)(b)).	2.38% (Sup25 §3(d)(iv))
43 and 44	Expenses for calendar year 2008 (Sup26 §3(d)(iii)).	4.73% (Sup26 §3(d)(iv))

Management Fee: The management fee included in building expenses is an amount equal to the greater of (a) \$152,250, and (b) the product of \$152,250 multiplied by a fraction the numerator of which is building expenses (exclusive of management fees for such year) and the denominator of which is \$6,357,498 (orig §5.01(a)(v)).

Payment Frequency: Monthly, equal to 1/12<sup>th</sup> of Alliance's share of previous comparative year's annual escalation over the base year, subject to adjustment for reasonably anticipated increases (orig §5.01(b)(1)).

Audit/Dispute: Landlord's expense statements given to Alliance are final and determinative unless Alliance challenges such statement in writing (which will also set forth the basis of such challenge with particularity) within 90 days (Sup7 §6(d)) of receipt. Alliance must make payments in accordance with the statement pending dispute resolution. So long as Alliance has continued to pay the expense escalation pursuant to Landlord's statements, Alliance has the right to examine Landlord's books and records provided such examination is commenced within 60 days and concluded within 90 days (Sup7 §6(d)) following the rendition of the expense statement in dispute. Landlord and Alliance will resolve the dispute by arbitration with 3 arbitrators, each of whom will have at least 10 years experience in the operation and management of major Manhattan office buildings (orig. §5.01(b)(2)).

Concourse Space: Alliance will pay an expense escalation for its concourse space only if the previous tenant of such space was subject to an expense escalation. The base year for any such escalation will be calendar year 2001 (Sup15, §23(g)).

Building Square Footage Total rentable area of the building is 1,540,000 sf for expense escalation purposes (orig. §5.01 (a)(iv)).

8<sup>th</sup> Floor Extended Term: Expense escalation additional rent will continue to be payable with respect to the premises located on Floor 8 for the extended term of January 1, 2020 through December 31, 2024 provided that the percentage with respect to such premises will be 2.25%. (Sup28 §2)

## CLEANING

Cleaning services are provided by the Cleaning Contractor pursuant to two separate agreements, one covering the office space and the other covering the ground floor space. The following summary is applicable to both such agreements. Unless otherwise noted, the section references are also applicable to both agreements.

<i>Services:</i>	The Cleaning Contractor provides certain cleaning services for the office areas and lavatories of the demised premises (§1(a)). The cleaning services provided do not include the cleaning of below-grade space, kitchen, pantry or dining space, storage, shipping, computer or word-processing space, or private or executive lavatories (§1(b)). The Cleaning Contractor is not responsible for removing debris and rubbish from areas under construction in the demised premises (§2). The quality of the cleaning services will be comparable to that provided in first class buildings in midtown Manhattan (§1(a)).
<i>Access:</i>	The Cleaning Contractor has access to the demised premises from 6 p.m. to 2 a.m. on business days. The Cleaning Contractor has the right to use Alliance's light, power and water, as reasonably required (§1(a)).
<i>Term:</i>	The cleaning agreements are co-terminous with the Lease (§2).
<i>Fee:</i>	Alliance pays the Cleaning Contractor, for the office space, a fixed monthly fee of \$310,465.73, plus an amount equal to the fee for Floor 36 multiplied by the percentage increase in the labor rate in 2000 over 1999, plus an amount equal to the fee for Floors 2, 8, 9, 11-14 multiplied by the percentage increase in the labor rate in 2001 over 2000, plus an amount equal to the fee for Floor 10 multiplied by the percentage increase in the labor rate in 2001 over 2000 (CAO §3; CAO-2 §3; CAO-3 §3; CAO-4 §3; CAO-5 §3; CAO-6 §3; CAO-7 §3; CAO-8 §3; CAO-9 §3; CAO-11 §3). Alliance pays the Cleaning Contractor a fixed monthly fee of \$2,833.33 for the ground floor space (CAG §3). The fixed monthly fee for cleaning the office space will increase by \$11,087.73 plus an adjustment based on the increase in the labor rate in 2008 over 2007 with the addition of remainder of Floor 31 to demised premises (CAO-10 §3) and will increase by \$36,604.68 plus an adjustment based on the increase in the labor rate in 2008 over 2007 with the addition of Floor 10 to demised premises (CAO-12 §3). The monthly fee with respect to Floor 8 for the extended term of January 1, 2020 through December 31, 2024 is \$14,717.83. (Sup28 §2). The fixed monthly fee is inclusive of sales tax and is payable in advance on the first of each month (§3). Payment for any additional cleaning services will be made by Alliance within 20 days of demand. The cost of such additional services must be comparable to services provided in comparable buildings (§1(a)). In addition to the fixed fee, Alliance pays the Cleaning Contractor a percentage of annual increases in cleaning costs (which annual increases are equal to the annual percentage increase in porters' wages over a porter's wage base year) over an amount representing base year cleaning costs. The percentage for the office space is 53.899% (CAO §3 and §4; CAO-2 §3; CAO-3 §3; CAO-4 §3; CAO-5 §3; CAO-6 §3; CAO-7 §3; CAO-8 §3; CAO-9 §3; CAO-11 §3) and 0.483% for the ground floor space (CAG §4). The percentage for the office space will increase by 1.46% (CAO-10 §3) to with the addition of the remainder of Floor 31 and will increase by 4.82% with the addition of Floors 43 and 44. The percentage for Floor 8 for the extended term of January 1, 2020 through December 31, 2024 is 2.29%. (Sup28 §2). The other variables in such calculation are as follows:

<u>Floor</u>	<u>Base Year for Porter's Wages</u>	<u>Base for Cleaning Costs</u>
Ground (part)	1999 (CAG §4)	\$6,286,271.55 (CAG §4)
2, 8-14	2001 (CAO-5, §4)	\$6,444,056.97 (CAO-5, §4)
15 and 16	1999 (CAO-3 §4)	\$6,247,986 (CAO-3, §4)
17 (except for the part demised by Sup22)	2001 (CAO-6 §4; CAO-7 §4; CAO-8 §4)	\$6,629,645.81
17 (the part demised by Sup22)	2004 (CAO-9 §4)	\$7,606,434.69 (CAO-9 §4)
31 (part) , 32-34, 37-41	1995 (CAO §4(a)(i))	\$5,827,772 (CAO §4(a)(iii))
31 (the part demised by Sup24)	2008 (CAO-10 §4)	\$8,408,948.97 (CAO-10 §4)
35 and 36	2000 (CAO-4 §4)	\$6,381,693 (CAO-4 §4)
42	2008 (CAO-11 §4)	\$8,408,948.97 (CAO-11 §4)
43 and 44	2008 (CAO-12 §4)	\$8,408,948.97 (CAO-12 §4)

*Dispute with Cleaning Contractor:* If Alliance believes that the Cleaning Contractor is not adequately performing under a cleaning agreement, and the Cleaning Contractor has not corrected such inadequate performance within 10 days after notice, Alliance may arbitrate whether the Cleaning Contractor is adequately performing. If a majority of the required arbitrators find that the Cleaning Contractor is not adequately performing, then the Cleaning Contractor will correct such inadequate performance within 10 days of such finding. If Contractor fails to do so, Alliance may terminate the cleaning agreement upon 10 days notice. (§5).

*Default by Alliance:* If Alliance fails to make a payment due under a cleaning agreement within 15 days of notice of such failure, the Cleaning Contractor may, upon 10 days notice terminate the cleaning agreement if Alliance also fails to make such payment within such 10 day period. In case of such termination, Alliance may only use the approved cleaning contractor for the building (§6). If a payment is not made within 3 days of notice of such failure, such payment accrues interest from the due date at prime rate, provided that Cleaning Contractor is not obligated to give such notice more than twice a year (§12).

*Rent Credit:* Alliance is entitled to a credit against the monthly installment of fixed rent in the amount of \$169,479.10 per month (Sup9 §4(c); Sup10 §2(c); Sup11 §2(c); LTR1; Sup12 §3(a)(3) and §3(b)(3); Sup14 §3(a)(3) and §3(b)(3); Sup15 §3(c); Sup16 §3(c); Sup17 §3(c); Sup18 §3(c) and Sup22 §3(c) plus an amount equal to the credit for Floor 36 multiplied by the percentage increase in the labor rate in 2000 over 1999 (Sup14 §3(b)(3)). The monthly credit will increase by (i) \$92,734.38 plus an adjustment based on the increase in the labor rate in 2001 over 2000 with the addition of Floors 2, 8, 9, 11-14 to the demised premises (Sup15 §3(c); Sup19 §2(c)), (ii) by \$13,296.17 plus an adjustment based on the increase in the labor rate in 2001 over 2000 with the addition of Floor 10 to the demised premises (Sup19 §3(c)); (iii) by \$11,087.72 plus an adjustment based on the increase in the labor rate in 2008 over 2007 with the addition of remainder of Floor 31 to the demised premises (Sup24 §3(c)); (iv) by \$220,539.40 plus an adjustment based on the increase in the labor rate in 2008 over 2007 on May 1, 2011 (Sup25 §3(c)); and (v) by \$439,256.17 plus an adjustment based on the increase in the labor rate in 2008 over 2007 on May 1, 2011. The monthly credit with respect to Floor 8 for the extended term of January 1, 2020 through December 31, 2024 is \$13,635.52. (Sup28 §2).

*Termination of Cleaning Agreement:* In the event the cleaning agreement for the office space is terminated, Landlord will provide cleaning services and Alliance will pay Landlord on a monthly basis for the office space (assuming that all of the office space demised under the lease is delivered to Alliance at that time) 60.17% (Sup26 §7(a)) of annual increases in cleaning costs (which annual increases are equal to annual percentage increases in porter's wages) over Landlord's cleaning costs for the entire building during the first full calendar year after the Cleaning Agreement's termination (orig. §6.04, as modified by Sup9 §8(a)). Landlord's cleaning cost escalation statements are final and determinative unless Alliance challenges such statement in writing within 90 days (Sup7 §6(d)) of receipt. Alliance must make payment in accordance with such statement pending dispute resolution. Landlord and Alliance will resolve any dispute by arbitration with 3 arbitrators, each of whom will have at least 10 years' experience in the operation and management of major Manhattan office buildings (orig. §6.01(d)).

Total rentable area of the building is 1,515,000 sf for cleaning cost escalation purposes.



## **MAINTENANCE & REPAIRS**

### *Alliance's Responsibility*

Alliance will make repairs to the demised premises necessitated by its acts, omissions, occupancy or negligence (except for fire or other casualty caused by Alliance's negligence if Landlord's insurance is not invalidated thereby) (orig. §9.01).

### *Landlord's Responsibility*

Landlord will maintain the building and its common areas in a manner appropriate to a first class office building. The building exterior, the window sills outside the window and the windows are not part of the demised premises (orig. §9.01).

## **ALTERATIONS**

<i>Approval:</i>	All alterations require Landlord's prior written approval, which will not be unreasonably withheld or delayed, provided that it does not (1) affect the structural integrity of the building, (2) affect the exterior of the building, or (3) adversely affect the building's systems without, in Landlord's opinion, adequate mitigation (orig. §8.01).
<i>Landlord's Reimbursement:</i>	Alliance will reimburse Landlord's out-of-pocket costs incurred in reviewing alterations (orig. §8.01).
<i>Contractors:</i>	Landlord's affiliate will act as general contractor for any alteration work performed anywhere in the demised premises for one year after the delivery of the 2 <sup>nd</sup> and 8 <sup>th</sup> -14 <sup>th</sup> floors, for a fee not to exceed 6% of the aggregate cost of such work. In acting as general contractor, Landlord's affiliate will obtain competitive bids from at least 3 subcontractors approved by Landlord for each category of work, except that there is only one approved subcontractor for air conditioning balancing work (although Alliance may have another subcontractor verify the work) and there are only 2 unaffiliated subcontractors for the base building work (Sup15 §6(a)). Alliance and Plaza Construction Corp., Landlord's affiliate, have subsequently entered into that certain Master Agreement dated January 27, 2004 pursuant to which Plaza Construction Corp. will provide construction management services to Alliance in respect of construction projects at the building. Landlord must have given its approval of any contractors performing alterations. Alliance will inform the Landlord of the name of any contractors or subcontractors Alliance proposes to do any alterations at least 10 days prior to work commencement (orig. §8.01 2(a)).
<i>Insurance Certificates:</i>	Prior to commencing any alterations, Alliance will deliver to Landlord an insurance certificate evidencing the existence of workmen's compensation insurance covering all persons involved in such alterations and reasonable comprehensive general liability and property damage insurance with coverage of at least \$1 million single limit (orig. §8.01(7)).
<i>Records:</i>	Alliance will keep records of alterations exceeding \$25,000 in cost and provide copies of such records to Landlord within 45 days of demand (orig. §8.07).
<i>38<sup>th</sup>/39<sup>th</sup> Floor Staircase:</i>	Alliance has the right to install a staircase between the 38 <sup>th</sup> and 39 <sup>th</sup> floors provided that Landlord approves the plans therefor and the staircase is installed in compliance with Articles 8 and 45 of the lease (Sup4 §14).
<i>Expiration of Term:</i>	All improvements installed by Landlord are the property of the Landlord (orig. §8.03) and all permanent improvements (including, therefore, any kitchen, pantry or dining room) will remain at the expiration of the term without Alliance being obligated to remove such permanent improvements. (orig. §8.04) All fixtures (other than trade fixtures) installed by Landlord become the property of the Landlord, and will remain as part of the demised premises, upon expiration of the lease. All furnishings and trade fixtures supplied by Alliance at its expense are Alliance's property and, with regard to Alliance's furniture and movable office equipment only (Sup7 §6(e)), will be removed upon the expiration of the lease term following the lease expiration unless Landlord notifies Alliance (within 30 days after Alliance's notice, which notice will be given at least 3 months prior to expiration of the lease term) that such property may remain in the demised premise following the lease term expiration (orig. §8.05). Alliance has no obligation to remove any staircases in the demised premises (Sup9 §21).

## **MISCELLANEOUS MATTERS RELATING TO IMPROVEMENTS**

- Emergency Generator:* Alliance is permitted to install a 2800 KW Detroit diesel emergency generator back-up power system in specified locations in the building (Sup27 §2(b)). Alliance is permitted to connect the back-up power system to the building's emergency generator system. Up to 1500 KW of the power generated by the back-up power system will back-up the building's emergency generator system (Sup27 §2(d)). Landlord will operate and maintain the back-up power system at Alliance's expense and, as part of such obligation, Landlord will enter into a maintenance contract for same subject to the reasonable approval of Alliance (Sup27 §2(d)). Alliance is obligated to pay a one-time fee for such emergency generator rights equal to \$75,000, adjusted for inflation based on increases in the Consumer Price Index (Sup27 §2(f)). Alliance will pay for its proportionate share (based on KW capacity) of fuel purchased for the emergency generator system and has the right, subject to Landlord's reasonable approval, to install its own fuel storage tanks (Sup27 §2(g)). The back-up power system will remain and not be removed at the end of the lease term (Sup27 §2(i)). Alliance has, through 1/31/10, a limited right of first offer to lease space to install another emergency generator. Alliance has 15 days to accept any such offer (Sup27 §3).
- Communications Antenna or Dish:* Alliance has the right, subject to the other alteration provisions of the Lease and to all applicable legal requirements, to install a communications antenna or dish on the roof in a location reasonably determined by Landlord. Landlord may require Alliance to relocate the antenna, at Landlord's expense, to mitigate interference with other uses, so long as the antenna is able to function in its relocated position, provided that if such relocation does mitigate the interference, Landlord may require Alliance to remove the antenna so long as no other antennas are allowed to be installed on the roof and Landlord bears the cost of such removal and the unamortized value of the antenna. If deemed reasonably advisable by Landlord's engineer, Landlord will, at Alliance's expense, reinforce the area under the antenna and, upon lease expiration, Alliance will remove the antenna and restore any damage caused thereby. Alliance will pay Landlord one-half of fair market rent for the roof space used by the antenna. Alliance, under Landlord's supervision (the cost of which Alliance is obligated to reimburse), has access to the roof and other areas of the building as reasonably necessary to maintain and repair the antenna (Sup9 §20).
- Communications Wiring:* Landlord will provide Alliance a reasonable area in a common vertical riser shaft in the building for the installation of data, communications and security system cabling.
- Initial Fit-Out of Balance of 31st Floor:* Alliance, at its expense, will prepare a complete set of plans for the work, which is subject to the reasonable approval of Landlord (orig. \$45.01). Although Alliance is permitted to use its own engineer, such plans ultimately are subject to the reasonable approval of Landlord's designated engineer. There is no deadline for the delivery to Landlord of the plans for Alliance's initial fit-out (Sup24 §6(a)). Landlord will provide Alliance with a \$762,240 allowance for the hard costs and certain soft costs of the fit-out. The allowance can be disbursed in installments upon Alliance's request and any unused portion will be credited against fixed rent (Sup24 §6(b)(i)). Alliance may use the allowance to pay for construction work undertaken in the demised premises leased prior to Sup24, but if Alliance draws on the allowance prior to May 1, 2010 then the allowance will be reduced by the future value of the amount drawn upon calculated at 6% per year (Sup24 §6(b)(ii)).

Alliance, at its expense, will prepare a complete set of plans for the work, which is subject to the reasonable approval of Landlord (orig. §45.01). Although Alliance is permitted to use its own engineer, such plans ultimately are subject to the reasonable approval of Landlord's designated engineer. There is no deadline for the delivery to Landlord of the plans for Alliance's initial fit-out (Sup25 §6(a)). Landlord will provide Alliance with a \$1,266,090 allowance for the hard costs and certain soft costs of the fit-out. The allowance can be disbursed in installments upon Alliance's request and any unused portion will be credited against fixed rent (Sup25 §6(b)). If, however, Alliance draws on the allowance prior to May 1, 2011 then the allowance will be reduced by the future value of the amount drawn upon calculated at 6% per year (Sup25 §6(b)(ii)).

*Initial Fit-Out of 42<sup>nd</sup> Floor:*

Alliance, at its expense, will prepare a complete set of plans for the work, which is subject to the reasonable approval of Landlord (orig. §45.01). Although Alliance is permitted to use its own engineer, such plans ultimately are subject to the reasonable approval of Landlord's designated engineer. There is no deadline for the delivery to Landlord of the plans for Alliance's initial fit-out (Sup26 §6(a)).

*Initial Fit-Out of 43<sup>rd</sup> and 44<sup>th</sup> Floors:*

## **SNDA & ESTOPPEL**

### *Subordination, Non-Disturbance and Attornment:*

The Lease is subordinate to all present and future mortgages and ground leases only to the extent Alliance receives a subordination, non-disturbance and attornment agreement from the holder thereof (orig. §11.01; Sup15 §8). Alliance will not exercise any right to terminate the lease due to an act or omission of Landlord without first giving notice of such act or omission to any mortgagee or ground lessor of which Alliance has been notified and giving such mortgagee or ground lessor an opportunity to cure such act or omission within a reasonable period of time after such notice provided that such mortgagee or ground lessor notifies Alliance that it will commence and continue to remedy such act or omission (orig. §11.02). Alliance and the property's mortgagee are parties to a subordination, non-disturbance and attornment agreement (SNDA-M). Alliance and the property's ground lessor are parties to a subordination, non-disturbance and attornment agreement (SNDA-G).

### *Estoppel:*

Alliance will provide an estoppel certificate within 10 days after Landlord's request. The estoppel certificate will certify:

(a) that the Lease is unmodified and in full force and effect or, if there has been any modification that the same is in full force and effect as modified and state any such modification;

(b) whether the term of the Lease has commenced and rent become payable thereunder; and whether Alliance has accepted possession of the demised premises;

(c) whether or not there are then existing any defenses or offsets which are not claims under paragraph (e) below against the enforcement of any of the agreements, terms, covenants, or conditions of the Lease any modification thereof upon the part of Alliance to be performed or complied with, and, if so, specifying the same;

(d) the dates to which the fixed annual rent, and additional rent, and other charges hereunder, have been paid; and

(e) whether or not Alliance has made any claim against Landlord under the Lease and if so the nature thereof and the dollar amount, if any, of such claim (orig. §36).

## **INSURANCE AND LIABILITY**

<i>Insurance:</i>	Alliance will reimburse Landlord for any increases in Landlord's fire insurance caused by Alliance (orig. §10.03).
<i>Landlord</i>	Landlord is not liable for damage or injury to property or persons unless caused by or due to the negligence of Landlord or its agents, servants or employees (orig. §12.01). Alliance will look solely to Landlord's estate in the Building for the satisfaction of any judgment (orig. §12.05).
<i>Alliance:</i>	Alliance will reimburse Landlord for all costs incurred by Landlord that Landlord does not recover from insurance resulting from Alliance's breach under the lease, by reason of damage or injury caused by Alliance in connection with the moving of Alliance's property except as provided in the lease, and by reason of the negligence of Alliance or its agents, servants or employees in the use or occupancy of the demised premises (orig. §12.03). Alliance will indemnify, defend and save Landlord harmless from any liability arising from Alliance's use of the demised premises, breach of the lease, or holding over, except for any liability arising from Landlord's negligence (orig. 35.01).
<i>Waiver of Subrogation</i>	Both parties are required to obtain waivers of their insurer's rights of subrogation provided that such waiver does not result in an additional expense to the party waiving the right of subrogation, unless the other party agrees to be responsible for such additional expense (orig. §12.06(a) and (b)).

## USE

- General:* The demised premises are permitted to be used for executive and general offices (orig. §2). Landlord represents that such use does not violate the certificate of occupancy for the demised premises (orig. §17). The demised premises may not be used for a banking office open to street traffic or certain other undesirable businesses (orig. §42.01).
- Dwyer Unit:* Alliance may, subject to Landlord's consent which may not be unreasonably withheld, install in the demised premises a Dwyer Unit at its sole cost expense provided that:
- (a) it is used for Alliance's employees and guests;
  - (b) no installation of ventilation equipment is required and no odors emanate from the demised premises from the use thereof;
  - (c) no additional air conditioning service is required thereby;
  - (d) use of the unit is expressly subject to the extra cleaning and water consumption provisions of the lease; and
  - (e) Alliance will engage an extermination service (orig. §49.01; Sup7 §18).
- Dining:* Alliance may, subject to Landlord's consent which may not unreasonably be withheld, install a dining room with kitchen for use by Alliance's employees and guests in the demised premises (Sup7 §18), provided that such facilities (a) comply with all applicable laws, (b) are properly ventilated and (c) all wet garbage is bagged and stored so that no odor emanates therefrom (orig. §49.06). If Alliance installs such facilities, then (a) Alliance will pay landlord the cost of an extermination service and (b) will have a refrigerated garbage storage room or other means of disposing of garbage therefrom reasonably satisfactory to Landlord (orig. §32.08 (as modified by Sup9 §6(b)); orig. §49.02), but such refrigerated room will only be required if such wet garbage creates an odor or pest problem (orig. §49.02). Alliance may install additional dining facilities on any floor of the demised premises comparable to the dining facility located on the 39<sup>th</sup> floor (as it existed as of 8/16/94). (Sup9 §25)
- Corporate Training Facility:* Subject to the other terms of the lease and all applicable laws, Alliance may use a portion of the demised premises for a corporate training facility (Sup5 §11(c)).
- Concourse:* Subject to the following sentence, the portion of demised premises located on the concourse may be used for storage, mailroom, computer printing room, incidental office, dining room or cafeteria purposes and any other legal purpose (Sup15 §23(e)). The portion of the demised premises located on the concourse and leased pursuant to Sup23, however, may be used only for storage purposes except that Alliance may also install electrical switches therein in certain specified locations (Sup23 §4).

## **TERM**

*Expiration Date:*

December 31, 2024. Landlord has exercised its right to extend the term from December 31, 2019 to December 31, 2024. (Sup15 §12(a), Sup15 §13(a)(i)). Fixed annual rent during the extension period will be at the rate of the average fixed annual rent per s.f. being paid by Alliance on 12/30/19 for all of its space in building (other than ground floor, concourse or subconcourse space). The method of calculating escalations would remain unchanged for such period (Sup15 §13(a)(ii) and (iii); Sup21 §9(a)).

*Alliance's 10 Year Extension Option:*

- Alliance has the option to extend the term for 10 years (Sup9 §12(a)) to expire on 12/31/34.
- The exercise deadline for Alliance's 10 year extension option is 12/31/21 (Sup9 §12(a)(i)).
- As conditions to the exercise of Alliance's 10 year extension option, as of the date of exercise and as of the first day of the extension period (i) Alliance can not be in default of beyond applicable notice and grace periods of its obligation to pay fixed annual rent, tax escalations and expense escalations, and (ii) Alliance and its affiliates must occupy at least 200,000 rsf (Sup9 §12(a)(ii) and (iii)).
- The fixed annual rent for Alliance's 10 year extension period is 95% of fair market rent determined as of 36 months before what would have been the expiration of the term if the term had not been extended by Alliance's ten year extension option, as determined by Landlord and notified to Alliance in writing within 30 days thereafter, plus an increase in proportion to the increase over such 36 month period of the average of the CPI for Urban Consumers and CPI for Urban Wage Earners (both New York, NY-Northeast NJ, base year 1982-84 =100, "All Items") (Sup9 §12(b)). If Alliance disputes Landlord's determination of the rent, then Landlord and Alliance will resolve the dispute according to a specified arbitration process (Sup9 §12(b) and §16).
- For purposes of calculating real estate tax escalations, the base year during such extension period is 2019/20 if Landlord does not exercise its 5 year extension option, or 2024/25 if Landlord does exercise its 5 year extension option (Sup9 §12(c)(i); Sup15 §13(b) and (c)). For purposes of calculating expense escalations, the base year for building expenses during such extension period is calendar year 2019 if Landlord does not exercise its 5 year extension option, or calendar year 2024 if Landlord does exercise its 5 year extension option. (Sup9 §12(c)(ii) and (iii); Sup15 §13(b) and (c)).

## SERVICES

### *Electricity:*

See page 14.

### *Elevator:*

Passenger: Service will be provided as necessary on business days between 8 am and 6 pm and sufficient service at all other times (orig. §32.01). In case of special events at the demised premises, upon 24 hours notice from Alliance, Landlord will provide 2 dedicated elevators staffed by Landlord personnel, the labor cost of which will be reimbursable by Alliance within 30 days of demand (Sup9 §24(a)). Landlord is required to have, in 1996, reconfigured the elevators so that the 32<sup>nd</sup> floor and the 37<sup>th</sup>, 38<sup>th</sup> and 39<sup>th</sup> floors are served by the same elevators (Sup6, §4(c)).

Freight: Landlord will provide reasonable freight elevator service on business days from 8 am to 6 pm and after-hours service at landlord's established rates (orig. §32.01). During tenant's initial fit-out of the remainder of the 31<sup>st</sup> floor, and the 42<sup>nd</sup>, 43<sup>rd</sup> and 44<sup>th</sup> floors, Alliance has priority but not exclusive use of one freight elevator and non-priority use of a second freight elevator at no charge (Sup14 §13(a); Sup15 §16(a); Sup24 §10(a); Sup25 §10; Sup26 §10). Subject to the terms of the alterations provisions and so long as Alliance is leasing floors 31 (part) through 41, Alliance has the right, at its expense, to make alterations so that any elevator servicing Floors 31 (part) through 41 can stop on any other floor leased by Alliance (Sup15 §24).

### *HVAC:*

Regular Service: During regular hours of operation on business days as from time to time determined by Landlord, but always at least from 8 am to 6 pm, but excluding 9pm to 8 am (orig. §32.02(a)).

After-Hours Service: Available upon reasonable notice at Landlord's established rates, payable upon presentation of bill, provided that:

- if any other tenants in the same air conditioning zone obtain after-hours service, the charge therefore will be equitably pro-rated (orig. §32.02(d)), and
- Landlord will provide HVAC to Alliance free of charge on any non-business day that the New York Stock Exchange is open (Sup9 §24(b)).

Supplemental AC: Subject to the lease provisions (including the alterations section) and all applicable laws, Alliance may at its expense install self-contained package air-conditioning units in the demised premises. Alliance is responsible for the maintenance and repair of such units. Alliance may connect such units to any existing supplementary air-conditioning systems located in the demised premises as of the date the lease commenced with respect to the 37<sup>th</sup> and 38<sup>th</sup> floors (orig. §32.10). Alliance has the right to install at its own expense additional supplemental air conditioning in the demised premises subject to service being available from Landlord at Landlord's established per ton per annum connected load and line charge (Sup5 §11(d)). Alliance has the right to install a supplemental air conditioning system on the 31 (part)-34<sup>th</sup>, and 37<sup>th</sup>-39<sup>th</sup> floors and Landlord will provide condenser water therefor at a connected load and line charge fee of \$500 per ton per annum increased after 1991 in proportion to the lease's expense escalations (Sup6 §17; Sup7 §19).

### Condenser Water:

- Floors 2, 8-14: Alliance has reserved 190 tons of condenser water for use on the 2<sup>nd</sup> and 8<sup>th</sup>-14<sup>th</sup> floors, with an option to reserve up to an additional 80 tons upon written notice to Landlord on or before 8/30/04. Landlord's charge for such condenser water is \$568.35 plus annual increases based on the percentage increases in building and parking expenses. Alliance begins paying for such condenser water upon use (but no later after 1 year after delivery of the 2<sup>nd</sup> and 8<sup>th</sup> through 14<sup>th</sup> floors). If Alliance requires more than 270 tons of condenser water for such space, then Landlord will use best efforts to obtain additional condenser from the building's existing supply and, if unsuccessful, will enter into good faith discussions regarding the installation of an additional cooling tower and allocation of costs relating thereto (Sup15 §16(b)).
- Floors 15-16: The 15<sup>th</sup> floor has an existing supply of 12 tons of condenser water and the 16<sup>th</sup> floor has an existing supply of 11 tons of condenser water. Alliance has the right to install at its own expense, pursuant to the alterations provisions of the Lease, a supplemental air-conditioning system on the 15<sup>th</sup> and 16<sup>th</sup> floors. Alliance was to have reserved its requirements of condenser water for such supplemental system from the existing supply on or before May 1, 1999 and of additional condenser water (up to 100 tons) by June 30, 2001 (Sup14 §13(b)(ii)). We have been advised by Judd S. Meltzer Co. Inc., however, that Landlord has agreed to reduce such available tonnage to 60 tons in exchange for increasing the available tonnage to 100 tons with respect to Floors 35-36. Landlord's charge for such condenser water is \$552/ton per annum plus annual increases over a 1997 base year (Sup12 §14).
- Floors 2, 8-14, 17 (part): Alliance was required to notify the Landlord of the amount of additional condenser water required by Alliance for its premises on Floors 2, 8-14 and 17 (part), which amount cannot exceed 20 tons, by August 31, 2002. Alliance begins paying for such condenser water upon use at a rate equal to \$594.90 per ton per annum increased annually from 2001 at the same percentage rate that building operating expenses increase (Sup16 §10(b)).
- Floors 31 (part) - 34, 40, 41: We have been advised by Judd S. Meltzer Co. Inc. that Alliance has exercised its right to have Landlord supply Alliance with 250 tons condenser water for use in supplemental air conditioning units on Floors 31 (part)-34 or 40, 41 at a cost \$250/ton/yr for the first 250 tons/yr and \$500/ton/yr (plus annual increases over the 1994 expenses base year). Any condenser water already being provided for Floors 31(part)-34 and 40, 41 are included in determining such rates. Alliance pays for the condenser water that Landlord has agreed to commit to Alliance, regardless of whether Alliance actually uses it (Sup9 §24(f)).
- Floors 35-36: Alliance may purchase up to 60 tons (in the aggregate) of condenser water for use in connection with its supplemental air-conditioning on the 35<sup>th</sup> and 36<sup>th</sup> floors. We have been advised, however, by Judd S. Meltzer Co. Inc. that Landlord has agreed to increase such available tonnage to 100 tons in exchange for reducing the available tonnage of additional condenser water to 60 tons with respect to Floors 15-16. Alliance

must reserve the condenser water it wishes to purchase by February 8, 2001 (in respect of the 35<sup>th</sup> floor) and December 31, 2001 (in respect of the 36<sup>th</sup> floor) Landlord's charge for such condenser water is \$568.35/ton per annum plus annual increases over a 1999 base year (Sup14 §13(b)).

Standards:

- indoor conditions to be 75° 50% RH when outdoor conditions are 92° DB and 74° WB; indoor conditions to be 70° when outdoor conditions are 11°
- outdoor air at a minimum of 20 cfm per person

assumes occupancy of 1 person per 100 usf, electric demand load of 5 watts per usf, and appropriate use of blinds (Sup9 §24(c)(ii)).

<i>Water:</i>	Landlord is required to supply an adequate quantity for ordinary lavatory, drinking, cleaning and pantry purposes. Water consumed for any additional purposes is subject to charge therefor and, separate metering. Alliance is subject to charge and separate metering for water used for any additional purposes.
<i>Housekeeping Supplies:</i>	Landlord must approve, in its reasonable discretion, suppliers of laundry, linen, towels, drinking water, ice and similar supplies to be consumed in the demised premises. Landlord may designate exclusive suppliers of any such supply provided that such suppliers' rates and quality are comparable to other suppliers (orig. §32.05).
<i>Food &amp; Beverages:</i>	Landlord must approve, in its reasonable discretion any vendor of food or beverages to be consumed in the demised premises (orig. §32.06).
<i>Cleaning:</i>	See page 21.
<i>Building Directory and Concierge:</i>	<p>Alliance is provided with its proportionate share (based upon the same percentage used in calculating Alliance's share of operating expense escalations) of listings for itself, and any other person or entity in occupancy of the demised premises and their employees. Landlord may reduce the number of such listings provided that Alliance always has its share in proportion to the space it occupies in the building (Sup6 §23).</p> <p>So long as Alliance and its affiliates are in occupancy of at least 200,000 rsf, Alliance, at no additional cost, is permitted to station 1 or, if practicable, 2 of its employees at the lobby's concierge desk with a telephone, an employee telephone directory, guest passes and an identifying sign (Sup9 §10(f)).</p>

*Signage and Flag:*

So long as Alliance and its affiliates are in occupancy of at least 200,000 rsf, Alliance has exclusive right to name the building after itself or, subject to Landlord's consent, any of its affiliates, and Alliance has the right to install signage with its name and logo:

- above the lobby entrance (which may be illuminated subject to Landlord's reasonable approval, but not neon, and provided that any other exterior signage is subject to Alliance's approval),
- on the building plaza kiosks (with signage for the building's retail tenants on such kiosks subject to Alliance's reasonable approval and any other kiosk signage or retail signage subject to Alliance's approval),
- behind the lobby concierge desk (which may be illuminated subject to Landlord's reasonable approval, but not neon, and which will be the only sign behind the lobby concierge desk, although Landlord may install less prominent signage for other tenants elsewhere in the lobby subject to Alliance's reasonable approval), and
- place "tombstone" signs on the building plaza

If occupancy decreases to less than 200,000, Landlord may remove Alliance's signage (Sup9 §10(a)). Landlord has reasonable approval rights as to the design and location of Alliance's signage. All installation, maintenance and removal work relating to Alliance's signage will be performed by Landlord at Alliance's reasonable expense (Sup9 §10(b)).

So long as Alliance and its affiliates are in occupancy of at least 200,000 rsf, Alliance may fly a flag bearing its name and logo, the design of which is subject to landlord's reasonable approval, from a flagpole on the building plaza. No other flagpole may be installed on the building plaza without Alliance's approval (Sup9 §10(d)).

Landlord is prohibited from installing any signage in the area of the lobby's upper elevator bank for an Alliance competitor occupying Floors 46-50, or a majority thereof (Sup13 §19(d)).

*General Contractor:*

Landlord's affiliate will act as general contractor for any alteration work performed anywhere in the demised premises for one year after Landlord delivers the 2<sup>nd</sup> and 8<sup>th</sup>- 14<sup>th</sup> floors to Alliance following substantial completion of Landlord's work thereon, for a fee not to exceed 6% of the aggregate cost of such work (Sup15 §6(a)). Alliance and Plaza Construction Corp., Landlord's affiliate, have subsequently entered into that certain Master Agreement dated January 27, 2004 pursuant to which Plaza Construction Corp. will provide construction management services to Alliance in respect of construction projects at the building.

*Parking:*

37 spaces in the building garage at the garage's standard rates and terms, but the first 25 are at a 10% discount if Alliance reserved such spaces before the Sup9 Adjustment Date (Sup9 §18; Sup12 §12). Landlord's parking obligations continue so long as Landlord is the garage operator or so long as the garage is generally available to building tenants (Sup15 §22).

*Allowances and Credits:*

The following allowances and credit may have been used or applied:

10th Floor: \$130,000 credit against fixed annual rent due from and after Floor 10 is included in the demised premises (Sup19 §9).

15<sup>th</sup> Floor: \$987,725 for tenant's initial fit-out and professional fees relating thereto. Any portion not used for such purposes is credited against fixed annual rent (Sup12 §6(b)).

16<sup>th</sup> Floor: \$987,725 for cost of initial fit out and professional fees relating thereto. Any portion not used for such purposes is credited against fixed annual rent (Sup12 §6(c)).

## **CASUALTY/CONDEMNATION**

<i>Casualty:</i>	In case of casualty, Landlord is required to restore the building and/or the demised premises (other than property installed by or on behalf of Alliance). Fixed annual rent and additional rent is abated to the extent that the demised premises or a portion thereof are unrentable and are not occupied by Alliance for the conduct of its business. In case of substantial casualty affecting the demised premises, Alliance may terminate the lease if Landlord's restoration is not completed within 1 year, subject to extension of up to an additional 6 months for circumstances beyond Landlord's reasonable control. (orig. §13.01). In case the building or the demised premises are substantially damaged in the last 2 years of the term, either Landlord or Alliance may cancel the lease upon notice given within 60 days of such casualty (orig. §13.02). Landlord may terminate the lease upon 30 days' notice given within 120 days of a casualty that so damages the building that Landlord decides to demolish it or not rebuild it (orig. §13.03).
<i>Condemnation:</i>	In case of a total condemnation of the demised premises, the lease terminates (orig. §14.01). In case of a condemnation other than a total condemnation of the demised premises, the lease will continue, but fixed annual rent and additional rent, will be abated proportionately, provided that if more than 25% of the demised premises is condemned, Alliance may terminate the lease upon 30 days notice given within 30 days after such condemnation (orig. §14.02). Landlord is required to repair any damage caused by such condemnation (orig. §14.02). In case of a condemnation of more than 25% of the demised premises, Landlord will, to the extent of the condemnation award, repair damage caused by such condemnation within 6 months of the condemnation, as such period may be extended due to force majeure. If Landlord fails to complete repairs within 6 months, as extended due to force majeure, Alliance may terminate upon 30 days' notice (orig. §14.04). In case of any partial condemnation within the last 2 years of the term, either party may terminate the lease within 32 days of the condemnation upon 30 days notice (orig. §14.04). In case of a temporary taking of all or part of the of the demised premises, there will be no abatement of rent, but Alliance is entitled to any condemnation award and if such temporary taking occurs in the last 3 years of the terms, Alliance may terminate the lease upon 30 days' notice given within the 30 days of title vesting in such condemnation (orig. §14.05).

**ASSIGNMENT/SUBLETTING**

Subletting the demised premises, assigning the Lease, allowing others to use the demised premises, and advertising for a subtenant or assignee are not permitted without the consent of Landlord (§15.01), which consent will not unreasonably be withheld (§15.05) except with regard to the ground floor portion of the demised premises. Landlord has no recapture rights. Alliance may, without Landlord's consent, assign or sublet to a corporation into or with which Alliance is merged, with an entity to which substantially all of Alliance's assets are transferred, or to an entity which controls or is controlled by Alliance or is under common control with Alliance, subject to a net worth test (§15.02). Also, Alliance may, without Landlord's consent, permit an affiliate (defined as "an entity which controls or is controlled by Alliance or is under common control with Alliance") to occupy all or a portion of the premises (orig. §15.08). Any permitted assignment or sublease will not be effective until Alliance delivers to Landlord a recordable sublease or assignment agreement reasonably satisfactory to Landlord pursuant to which the subtenant or assignee assumes all of Alliance's obligations under the Lease. Alliance will remain fully liable under the lease for the payment of rent and the performance of all of Alliance's other obligations under the Lease notwithstanding any such assignment or sublease (orig. §15.03).

*Landlord's Consent to assignment or sub-subletting by an assignee or subtenant:* Landlord's consent will not be unreasonably withheld or delayed, provided that such further assignment or sub-sublease is subject to all of the other terms and conditions of the Lease regarding assignment and subletting (Sup7 §12(b)).

*Profits:*

If Alliance assigns the lease or sublets any portion of the demised premises other than to a corporation into which Alliance is merged or consolidated, or to which Alliance's assets are transferred or to any entity which controls or is controlled by Alliance or is under common control with Alliance, then Alliance will pay Landlord 50% of any profits after first deducting reasonable expenses incurred in connection with such assignment/sublease amortized on a straight line basis over the balance of the lease term (in case of an assignment) or over the term of the sublease (in case of a sublease) (orig. §15.07). For the first 50% of rsf of demised premises other than ground floor space (including Floors 2 and 8-14 after such floors are delivered to Alliance (Sup15 §19(a)) assigned or sublet by Alliance, Alliance will have the right to deduct as such a reasonable expense a "Tenant Improvement Deduction", determined as of the commencement date of such sublease or assignment, and calculated as follows:

$((A/2 - B) \div C) \times D$ , where

A = amortized value of Alliance leasehold improvements (regardless of whether paid for with tenant allowance) based upon the average value of Alliance's unamortized leasehold improvements on a per rentable square foot basis for all of the demised premises other than any concourse space (Sup15 §19(b)) or ground floor space (Sup20 §2(a)), amortized on a straight line basis from completion date until 10/31/09 (if located on Floors 37-39 and completed prior to 8/16/94 and such calculation is being made prior to the delivery of Floors 2 and 8-14 (Sup15 §19(a))) or the lease expiration date (in all other cases)

B = total landlord cash contribution or allowance to Alliance for leasehold improvements under the lease,

C = total rsf of the demised premises, and

D = rsf of the space being sublet or assigned. (Sup9 §13(d))

In determining profits, Alliance is permitted to take into account its electricity expenses under the lease and cleaning expenses (whether under separate agreement with Landlord's contractor or pursuant to the lease) (Sup9 §13(d)), and its rental cost for the space being sublet or assigned will be determined using an average, on a rentable square foot basis, of its rental cost for the entire demised premises other than any concourse space or ground floor space (Sup20 §2(b)) except with respect to any sublease or assignment of the 2<sup>nd</sup>, 8<sup>th</sup>-14<sup>th</sup> or 17<sup>th</sup> (part) floors made before Alliance ever occupies such space (which is the case for Floor 10 (Sup19 §6(b)) in which case Alliance's rental cost will be based on its actual rental without including any deduction for unamortized tenant improvements (Sup15 §19(d); Sup16 §12, Sup17 §11; Sup18 §11). If Alliance subleases any part of Floors 2 and 8-14 or assigns the Lease with respect thereto after first occupying such space, then Alliance will have the right to take a "Tenant Improvement Deduction" as provided above.



## **RIGHTS TO ADDITIONAL SPACE**

Except as noted below, all of the following rights are subject to the condition that Alliance and its affiliates are occupying at least 200,000 rsf of the building and to the condition that Alliance is not in default beyond the expiration of applicable notice and cure periods under any of the terms, provisions and conditions of the Lease.

### *Ground Floor:*

Alliance has the right of first offer to lease all or a portion of the space occupied by European American Bank as of August 16, 1994, upon such space (or portion thereof) becoming available, at 95% of fair market rent (as determined by Landlord but subject to a specified arbitration process if Landlord and Alliance cannot agree within 60 days of Alliance's acceptance of the offer) (Sup9 §14(a)). So long as Alliance and its affiliates occupy at least 200,000 rsf of the building, Landlord is restricted from leasing such space to a competitor of Alliance (Sup9 §14(a)(ii)). This right of first offer is not subject to the condition that Alliance not be in default beyond the expiration of applicable notice and cure periods under any of the terms, provisions and conditions of the Lease.

### *24<sup>th</sup> and 25<sup>th</sup> Floors:*

[Note: The 24<sup>th</sup> and the 25<sup>th</sup> floors are currently used for the building's mechanical equipment and are not leased to tenants.]

Subject to the superior rights (as of 8/16/94) of any then-existing tenant or occupant of the building and the superior rights of any tenant that leases floors 26 through 28, Alliance has the right of first offer to lease, at fair market rent (as determined by Landlord but subject to a specified arbitration process if Landlord and Alliance cannot agree within 60 days of Alliance's acceptance of the offer), the 26<sup>th</sup>, 27<sup>th</sup> and 28<sup>th</sup> floors (or a portion of any such floor, if offered to Alliance as a partial floor), upon availability (Sup9 §14(c)). We have been advised by Judd S. Meltzer Co. Inc. that this space is presently leased to Avon pursuant to a lease which expires on October 31, 2016 and that Avon has three 5-year extension options which are superior to Alliance's right of first offer.

### *26<sup>th</sup>, 27<sup>th</sup> and 28<sup>th</sup> Floors:*

Subject to the superior rights (as of 8/16/94) of any then-existing tenant or occupant of the building and the superior rights of any tenant that leases floors 26 through 28, Alliance has the right of first offer to lease, at fair market rent (as determined by Landlord but subject to a specified arbitration process if Landlord and Alliance cannot agree within 60 days of Alliance's acceptance of the offer), the 29<sup>th</sup> floor (or a portion thereof, if offered to Alliance as a partial floor), upon availability (Sup9 §14(c)). We have been advised by Judd S. Meltzer Co. Inc. that this space is presently leased to Dean Witter pursuant to a lease which expires on February 28, 2005 and that Avon has superior rights to this right of first offer.

### *29<sup>th</sup> Floor:*

Subject to the superior rights (as of 8/16/94) of any then-existing tenant or occupant of the building and the superior rights of any tenant that leases floors 26 through 28, Alliance has the right of first offer to lease, at fair market rent (as determined by Landlord but subject to a specified arbitration process if Landlord and Alliance cannot agree within 60 days of Alliance's acceptance of the offer), the 30<sup>th</sup> floor (or a portion of any such floor, if offered to Alliance as a partial floor), upon availability (Sup9 §14(c)). We have been advised by Judd S. Meltzer Co. Inc. that this space is presently leased to Rubenstein pursuant to a lease which expires on December 31, 2009 and that Rubenstein has one 5-year extension option which may be preempted by Alliance.

### *30<sup>th</sup> Floor:*

Subject to the superior rights (as of 8/16/94) of any then-existing tenant or occupant of the building and the superior rights of any tenant that leases floors 26 through 28, Alliance has the right of first offer to lease, at fair market rent (as determined by Landlord but subject to a specified arbitration process if Landlord and Alliance cannot agree within 60 days of Alliance's acceptance of the offer), the 49<sup>th</sup> and 50<sup>th</sup> floors (or a portion of any such floor, if offered to Alliance as a partial floor), upon availability (Sup9 §14(c)). This right of first offer also applies to the 46<sup>th</sup> through 48<sup>th</sup> floors (Sup10 §4(b); Sup14 §16). We have been advised by Judd S. Meltzer Co. Inc. that this space is presently leased to Pimco pursuant to a lease which expires on December 31, 2016 and that there are no superior rights to this right of first offer.

*46<sup>th</sup> through 50<sup>th</sup> Floors:*

*All other space:*

Alliance has the right of first offer to lease all other space in the building it does not already lease or that is not subject to another of Alliance's rights of first offer, upon availability, at fair market rent (as determined by landlord but subject to a specified arbitration process if Landlord and Alliance cannot agree within 60 days of Alliance's acceptance of the offer) (Sup15 §9(a)(1); Sup16 §14). This right of first offer is subject to the conditions that Alliance and its affiliates are in occupancy of at least 400,000 rsf and is subject to any rights of first offer or refusal held by any other building occupant or tenant existing as of August 3, 2000 (Sup15 §9(a)(i) and (ii)). (Note: We have been advised by Judd S. Meltzer Co. Inc. that the following superior rights exist: Linklaters has two 5-year extension options with respect to the 19<sup>th</sup> floor, Smith Barney has one 5-year extension option with respect to the 21<sup>st</sup> and 22<sup>nd</sup> floors; Nichimen has one 5-year extension option with respect to the 23<sup>rd</sup> floor and Avon has rights to the 23<sup>rd</sup> floor.) Alliance may not exercise such right of first offer during the last 10 years of the term unless (i) Alliance simultaneously extends the lease term pursuant to the Lease, or (ii) such offer is made during the period beginning 10 years before the expiration date and ending 5 years before the expiration date and is for 2 or fewer floors (provided that if it is for more than 2 floors and Alliance wishes to accept the offer, Alliance must accept Landlord's terms (including, perhaps, a non-coterminous expiration date) for those excess floors) (15 Sup, §9(a)(iii)(7)).

## **DEFAULT AND LANDLORD REMEDIES**

### *Events of Default:*

Landlord may terminate the lease upon 10 days' notice if:

- (i) Alliance fails to pay fixed annual rent or any other lease payment within 10 days after notice from Landlord of such failure;
- (ii) Alliance fails to cure its default under any of its other obligations under the lease, or fails to re-occupy the demised premises after abandoning the demised premises, within 30 days after notice from Landlord (reduced to 5 days in case of default under Alliance's obligation to use the demised premises in conformance with the certificate of occupancy or Alliance's failure to provide an estoppel), but if such default cannot be cured within such period, such period is extended as necessary to permit Alliance with diligence and good faith, to cure such default; or
- (iii) an execution or attachment against Alliance or its property results in a party other than Alliance continuing to occupy the demised premises after 30 days' notice from Landlord (orig. §19.01).

Upon termination, Landlord may re-enter the demised premises and dispossess Alliance (orig. §19.02).

Alliance's obligation to pay fixed annual rent and additional rent survives any termination of the lease due to Alliance's default (orig. §19.03). Upon such termination, Alliance will pay landlord re-letting expenses and at Landlord's option, either a lump sum representing the present value of the excess of Alliance's combined fixed annual rent and additional rent over the rental value for the terminated portion of the term, or on a monthly basis the excess of Alliance's combined fixed annual rent and additional rent over the rent received from any re-letting of the demised premises for the period representing the terminated lease term (orig. §20.01).

### *Landlord's Right to Cure:*

If Alliance fails to cure a default within any applicable grace period after notice of such default (provided that no notice is required in case of emergency), then Landlord may cure such default and bill Alliance for the cost of such cure, which bill will be due upon receipt (orig. §21.01).

### *Right to Contest:*

Alliance may contest any law that Alliance is obligated to comply with under the lease and compliance thereunder, provided that:

- (a) such non-compliance will not subject Landlord to criminal prosecution or subject the building to lien or sale;
- (b) such non-compliance does not violate any fee mortgage, ground lease or leasehold mortgage thereon;
- (c) Alliance will deliver a bond or other security to Landlord; and
- (d) Alliance will diligently prosecute such contest.

- Arbitration:* Where arbitration is required by the lease, unless otherwise expressly provided, the arbitration will be in New York City in accordance with the Commercial Arbitration Rules of the American Arbitration Association and the lease, and judgment may be entered in any court having jurisdiction (orig. §33.01).
- Limits on Alliance's Remedies:* Alliance cannot, in response to Landlord's act or omission, terminate the lease or set-off rent before giving any ground lessor or mortgagee of the fee or ground leasehold estate for which Alliance has been given an address notice of such act or omission and a reasonable period of time to cure. Such ground lessor or mortgagee, however, has no obligation to cure such act or omission.

## ACCESS

*Landlord:*

Landlord may enter the demised premises to perform alteration work, to inspect the demised premises or to exhibit the demised premises to prospective purchasers, mortgagees or lessors of the building and (during the last 6 months of the term) to prospective lessees of the demised premises, provided that Landlord provides Alliance advance notice (which may be oral) of such entry (orig. §16.01). Landlord will exercise reasonable diligence so as to minimize the disturbance (orig. §16.01).

*Carter-Wallace, Inc.*

Carter-Wallace, Inc. is allowed, once a month upon reasonable notice during business hours, access in the vicinity of column 63 on the northeast side of the 41<sup>st</sup> floor to service a humidifier, provided that Carter-Wallace, Inc. will move such portion of humidifier off the 41<sup>st</sup> floor if Alliance reasonably requires Carter-Wallace, Inc. to do so as part of Alliance's alteration work on the 41<sup>st</sup> floor (LTR1, par 2).

## **NOTICES**

All notices required to be given by the lease or by law are required to be in writing. Notices, which are required to be sent by certified or registered mail, are deemed sent by the sender and received by the recipient when deposited in the exclusive care and custody of the U.S. mail. Notices to Landlord are to be addressed as follows:

1345 Leasehold Limited Partnership  
c/o Fisher Brothers  
299 Park Avenue  
New York, New York

with a copy to:

Fisher Brothers  
299 Park Avenue  
New York, New York  
Attn: General Counsel

(orig. §31.01)

## 501 COMMERCE STREET, NASHVILLE, TN 37203

### LEASE SUMMARY

#### Overview:

Tenant is considering relocating its Corporate Headquarters to the Nashville Metropolitan Area. Your project has been selected as a short list candidate for the headquarters project. Tenant contemplates creating a high density facility with approximately 1,250 seats in± 205,000 rentable square feet ("RSF"). The building/project of choice for Tenant must be built to accommodate these densities from an operational standpoint. Accordingly, features such as floor plate efficiency, power, HVAC, vertical transportation, bathrooms/fixture count and parking will all be carefully reviewed.

We are pleased to present this Final Proposal to you as agent for ownership of 501 Commerce Street ("Landlord") for consideration regarding the possible leasing of space by AllianceBernstein LP. or a subsidiary thereof ("Tenant") in the above-captioned building ("Building"). The following is not intended to be a list of all Lease terms, but is instead an outline of the major points to be agreed to by both Tenant and Landlord:

**1. Tenant:**

AllianceBernstein LP. or a subsidiary thereof ("Tenant"). If Tenant is a subsidiary of AllianceBernstein LP., AllianceBernstein LP. shall guaranty the Lease.

**2. Building:**

501 Commerce Street, Nashville, TN 37203

**3. Landlord Name and Address:**

The Landlord is OliverMcMillan Spectrum Emery, LLC, which is a single purpose entity. No other properties are owned by the same legal entity

**4. Management Company Name and Address:**

The property management firm is OliverMcMillan, Inc. or an affiliated entity, who will have a property management & engineering team located on-site at the Building.

**5. *Neighboring Developments:***

Landlord is not aware of any developments planned within 100 yards of the Building site, with the exception of the other components of the overall Fifth + Broadway project, which are planned to be developed at the same time as the office Building and include approximately 235,000 square feet of retail, a 380 unit apartment building, and a renovation of the 190,000 square feet of conference center and event space at the Renaissance Hotel next door.

AB Response: Please provide additional schedule/milestones for the other components of Fifth and Broadway development project.

Completion dates for the other components of Fifth + Broadway are scheduled as follows:

- a) Public Garage\* - Q4 2019
- b) Retail\* - Q1 2020
- c) Residential - Q1 2020

\*To be defined as the "Master Project" together with the office Building herein.

**6. *Premises:***

Floors 19 through 25 (27,372 RSF each) and approximately 13,396 RSF on floor 18, totaling 205,000 RSF.

Within fifteen (15) months of execution of an LOI by Landlord and Tenant, Tenant shall have the right to increase or decrease the size of the Premises by up to one (1) full floor of contiguous space in full floor increments and at the same terms and conditions herein. If Tenant elects to reduce the Premises by one (1) full floor, the reduced floor shall be at the bottom of Tenant's stack.

Upon Final determination of the initial 18<sup>th</sup> floor Premises, Tenant expansion and contraction rights (both initial & future) will be adjusted accordingly.

Landlord can offer storage space within the garage totaling approximately 2,865 RSF, ranging from approximately 438 RSF - 1,290 RSF at a rental rate of 25% of the agreed upon full service base rent, or equivalent, with 2.5% annual increases.

Landlord's understanding is that Tenant's architect has confirmed with Landlord's architect the measurement of the useable square footage used to determine the rentable square footage in the Premises. For purposes of Tenant's Lease, the Premises and the Building size shall not be subject to re-measurement for the remainder of the term.

The Building's useable square footage is measured using the Building Owners and Managers Association (BOMA) standard. Tenant's rentable square footage is then determined by using a single tenant floor add-on factor equal to 12% and a multi-tenant floor add-on factor equal to 18%.

Floor	Gross Area	Rentable Area	Useable Area	Permitted# of occupants
25	27,424	27,372	24,439	480
24	27,424	27,372	24,439	480
23	27,424	27,372	24,439	480
22	27,424	27,372	24,439	480
21	27,424	27,372	24,439	480
20	27,424	27,372	24,439	480
19	27,424	27,372	24,439	480
18*	27,424	27,372	24,439	480
*Numbers stated for floor 18 are for the entire floor; however, Tenant's RSF on floor 18 per the terms contained herein is 13,396.				

## 7. Expansion Space:

- (a) Landlord shall have the right to lease all or portions of floor seventeen {17} to third-party Tenant(s) for up to seven {7} years following the Commencement Date. Provided Tenant is not in Material Default after notice and cure, under the Lease and Tenant occupies not less than 60% of its initial Premises, Tenant shall have the option to lease, at Fair Market Value and co-terminus with Tenant's existing Premises, all or portions of the 17th floor as the third-party Leases expire between the fifth {5th} and eighth {8th} years of Tenant's Term. Further details to be defined in the Lease. The Base Rent for the Expansion Space shall be the then fair market rent. Landlord shall be required to provide all then market concessions in conjunction with any Expansion Space. Notwithstanding, if Tenant exercises its immediate expansion/contraction option as set forth in Paragraph 6, the floor number shall shift accordingly.
- (b) Right of First Offer: Subject to existing tenant rights, Tenant is not in Material Default after notice and cure, under the Lease, and Tenant occupies not less than 60% of its initial Premises, Tenant shall have a Right of First Offer {"ROFO"} to lease all available space in the Building co-terminus with Tenant's existing Premises. When space becomes available in the Building either initially or following the expiration of a third-party tenant Lease, Landlord shall notify Tenant of the Fair Market Value {"FMV"} for the ROFO space. Further details to be defined in the Lease. The base rent for the ROFO Space shall be the then Fair Market Rent. Landlord shall be required to provide all then market concessions in conjunction with any expansion space.

So long as Tenant has at least five (5) years remaining in the Lease Term, Tenant's Lease of the ROFO space shall be co-terminus with the existing Premises but otherwise at the terms contained in Landlord's notice. Should less than five (5) years remain in the Lease Term, Tenant shall have the option to lease the ROFO space for either (i) the "market" lease term for new leases in comparable buildings in downtown Nashville or (ii) exercise Tenant's Renewal

Option and renew the Lease for the existing Premises, in which case the term for ROFO Space will match the renewed term for the existing Premises.

The ROFO space shall be delivered to Tenant in the then prevailing market conditions.

**8. Building Sale:**

If Landlord elects to sell the office Building independent of the entire mixed-used project, provided Tenant is not in Material Default beyond any applicable notice and cure period, and Tenant leases not less than 60% of the initial Premises, Tenant shall have a Right of First Offer ("ROFO") to purchase the Building. Prior to offering the Building for sale to any other third party, Landlord shall notify Tenant of the terms and conditions upon which it would be willing to sell the Building to Tenant. Tenant shall accept or reject Landlord's offer upon written notice to Landlord within twenty (20) business days after Tenant's receipt of the ROFO notice from Landlord. Terms to be agreed upon in the Lease.

The Lease shall address mutually agreeable restrictions on a sale of the Building (or any component of the Master Project, as defined in Section 5) or interest therein prior to completion of Landlord's Work and the opening of the building for Tenant to conduct business and the completion of the development of the remaining portions of the Master Project.

**9. Lease Term:**

Fifteen (15) years from the expiration of the Free Rent Period (defined below).

The Lease shall commence on the earlier of (i) substantial completion of Tenant Improvements in the Premises or (ii) two hundred seventy (270) days after Landlord's delivery of the Premises to Tenant, provided that Landlord has completed construction of the building and is open for business for the Tenant to conduct business and other aspects of the Master Project have been substantially completed. The "Free Rent Period" shall mean the period from the date Landlord delivers possession of the Premises to Tenant as required under the Lease (the "Delivery Date") until the latest to occur (x) two hundred and seventy (270) days immediately following Landlord's delivery of the Premises to Tenant and (y) Landlord's completion of the building and opening the building for business for the Tenant to conduct business and Landlord's substantial completion of the other aspects of the Master Project. However, solely in the event that Tenant occupies the Premises and commences the conduct of its business therein prior to the expiration of the Free Rent Period, then during such interim period until the end of the Free Rent Period Tenant shall pay Base Rent, Operating Expenses, and Real Estate Taxes at a rate equal to fifty percent (50%) of the amount thereof payable immediately following the Free Rent Period, provided the other aspects of the Master Project have been substantially completed.

**10. Termination Option:**

Tenant shall have the right to cancel the Lease for all of the Premises or any full floors (bottom up in the stack and contiguous if more than one (1) floor) at the end of the 144th month of the Lease Term ("Termination Date") with eighteen (18) months prior written notice. A cancellation fee shall be paid to Landlord concurrently at the time of notice ("Termination Payment Date") equal to the sum of (i) the unamortized tenant improvement allowances and brokerage commissions relating to the terminated Premises at a discounted interest rate equal to six percent (6%) per annum plus (ii) four (4) months of the then modified gross rent relating to the terminated Premises.

**11. Option(s) to Extend:**

Provided Tenant is not in Material Default beyond any applicable notice and cure period, Tenant, by written notice to Landlord given no later than fifteen (15) months prior to the expiration of the Lease Term, shall have two (2) options to extend the term of the Lease for all of the Premises or a portion, but not less than four (4) contiguous full floors (top - down in the stack) for either five (5) or ten (10) years each.

The Base Rent for the Extension Options shall be the then Fair Market Rent. Landlord shall be required to provide all then market concessions in conjunction with any renewal.

**12. Milestones:**

As the Building has not yet been constructed, please specify the anticipated dates for achievement of the following milestones and any other critical milestones for commencement and completion of construction:

- (a) Landlord acquisition of title to, or execution of ground lease for, the land on which the Building is to be constructed. Complete.
- (b) Receipt of permits and other necessary approvals from applicable governing authorities for final Building plans and commencement of Building construction, including zoning approvals. Complete to date. Additional construction permits to be issued throughout the duration of the project.
- (c) Delivery to tenant of written notice of Landlord's financing commitment from a lender or equity investor necessary for construction of the Building to be completed.

See Page 3, Letter from The Baupost Group

- (d) Achievement of required threshold of pre-lease commitments. Tenant's Lease is sufficient for Landlord to complete the Building.
- (e) Completion of excavation at the site. April 20, 2018
- (f) Commencement of pouring the foundation. April 23, 2018
- (g) Substantial completion of foundation footings. May 29, 2018
- (h) Pouring of top floor slab of the Building. Level 25, November 10, 2019
- (i) Completion of Building curtain wall enclosure and watertight. December 30, 2019
- 0) Turnover of space to Tenant to commence construction of its interiors. Levels 18 - 21:  
January 27, 2020  
Levels 22 - 25: March 25, 2020  
Removal of hoist and final close up of curtain wall. December 30, 2019
- (k) Satisfaction of all Delivery Requirements (as defined in Section 24 below) and delivery of full access to the premises for the commencement of Tenant's work. March 25, 2020

- (I) Issuance of temporary and/or permanent certificate of occupancy. Temporary occupancy for common areas (lobby and amenity level): December 20, 2019. Permanent occupancy for commons areas: April 30, 2020. Temporary and permanent occupancy for Tenant's Premises determined by Tenant fit up schedule.

The above schedule can be expedited if Skanska is retained by Tenant for its tenant improvement work, which would be able to begin concurrently with the core & shell construction.

Provided that the Lease contains provisions addressing Tenant Delay and acts of God (to be defined in the Lease), Landlord agrees to Tenant's requirement that a list of milestones, with corresponding remedies and damages for failure to meet any milestone, will be developed during the negotiations and that no rent shall be payable until the Premises are delivered in accordance with the Lease together with the issuance of a satisfactory use and occupancy certificate (or whatever other licenses or permits are required by local law to legally occupy the Premises). Access dates for Tenant work to be discussed.

**13. Base Rent:**

Tenant shall pay a Modified Gross Rental Rate equal to \$34.30 per RSF (\$28.25 per RSF - net) for the first year following the expiration of the Free Rent Period with ninety cents (\$0.90) per RSF annual increases throughout the remaining Lease Term.

**14. Abatement of Rent:**

Subject to Tenant Delay and acts of God, in the event the "Delivery Date" (the date Landlord delivers possession to the Premises to Tenant as required under the Lease) has not occurred within sixty (60) days of the scheduled delivery Date, then following Tenant's Commencement Date Tenant shall receive a day-for-day Abatement of Base Rent, Operating Expenses, and Real Estate Taxes equal to the number of days of delay until the Premises is delivered as required under the Lease. Step up of such day for day penalty as well as additional penalties for late delivery of the Building, Master Project, SNDA and other aspects to be agreed upon in the Lease and will be subject to only Tenant delay and acts of God.

**15. Tenant Improvement:**

Landlord will provide Tenant an improvement allowance equal to sixty-five dollars (\$65.00) per RSF in the Premises. It is understood that the improvement allowance is inclusive of architectural, space planning, construction management fees, and all construction costs necessary to obtain a Certificate of Occupancy, and such allowance is to be used solely for improvements to the Premises. Should the cost of improvements exceed the allowance, Tenant shall pay the amount in excess of the Tenant Improvement Allowance.

Additionally, (i) Landlord shall have the responsibility of completing the construction of Tenant's restrooms on such floors, and (ii) Landlord, at its sole expense, shall install a submeter system to submeter the utility usage in Tenant's Premises.

Notwithstanding the foregoing, up to \$5.00 per RSF of any unused TI Allowance may be applied as a credit of rent next due.

Landlord to provide credit support to fund the master development work, base building work, TI Allowance, and brokerage commissions. Please refer to the letter from The Baupost Group dated January 5, 2018.

**16. Test Fit Allowance:**

Landlord agrees to a separate letter agreement to provide Tenant or Tenant's architect, regardless of whether Tenant ultimately leases space from the respondent, with a cash test-fit allowance of \$0.15/RSF.

**17. Holdover:**

Subject to further definition in the Lease, Tenant shall have the right to holdover for a period of up to four (4) months following the expiration of the Lease Term at a monthly Modified Gross Rent equal to the last month's Modified Gross Rent and with a one hundred and fifty percent (150%) increase in the Base Rent component of the last month's Modified Gross Rent for the balance of the holdover period.

**18. Restoration at End of Term:**

At the end of the Lease Term, Tenant shall only be required to remove its movable furniture and leave the Premises in broom swept condition, with the understanding that normal wear and tear will have occurred. Notwithstanding the foregoing, should Tenant exercise its Termination Option, Tenant shall be required to remove its specialty alterations to be defined in the Lease.

**19. Operating Expenses and Real Estate Taxes:**

Following the expiration of the Free Rent Period and thereafter throughout the Lease Term, Tenant shall pay the following in respect of Operating Expenses and Real Estate Taxes:

1. a). Controllable Operating Expenses: Tenant shall pay its proportionate share of all controllable Operating Expenses in excess of a Base amount of \$6.05\* per RSF subject to the 4% cap on increases described in clause (3) below. To the extent that controllable Operating Expenses are exceeded or a gross up exceeds \$6.05 per RSF for the first full year of stabilized occupancy of the Building (the amount of such excess, per RSF, being referred to as the "Excess COE"), then, for the entire Lease Term, Tenant shall receive a credit against its proportionate share of controllable Operating Expenses in an amount equal to the Excess COE multiplied by the Premises' RSF. For example, if controllable Operating Expenses for such first full year of stabilized occupancy equals \$7.00 per RSF, then Tenant would receive an annual credit equal to \$0.95 per RSF. Landlord has estimated that Controllable Operating Expenses for the Building's first full year of stabilized occupancy will be \$6.05 per RSF, which consists of the following:

[\* Please provide an itemized list of the controllable operating expenses included in Landlord's calculation of \$6.05 per RSF.]

The breakdown of Controllable Operating Expenses is as follows:

Cleaning & Janitorial:	\$1.83
<b>R&amp;M:</b>	\$0.84
Landscaping:	\$0.02
Administrative:	\$0.69
Management Fees:	\$1.43
Security:	\$0.93
<u>Trash Removal:</u>	<u>\$0.31</u>
<b>TOTAL:</b>	<b>\$6.05</b>

b). Uncontrollable Operating Expenses (i.e., insurance and utility charges relating to the Building's common areas): Tenant shall pay its proportionate share of uncontrollable Operating Expenses. Landlord has estimated that uncontrollable Operating Expenses for the Building's first full year of stabilized occupancy will be \$0.54 per RSF (which consists of \$0.33 per RSF for common area electricity, \$0.05 per RSF for common area condenser water, and \$0.16 per RSF for insurance).

c). Real Estate Taxes: Tenant shall pay its proportionate share of Real Estate Taxes assessed against the Building. Landlord has estimated that real estate taxes for the Building's first full year of stabilized occupancy will be \$4.83 per RSF. "Real Estate Taxes" shall mean ad valorem real estate taxes and shall not include penalties or interest for late payment, special assessments, impact fees or other taxes assessed against Landlord or the rent payable under the Lease, including with limitation franchise, excise, income or capital gain taxes.

In no event shall Operating Expenses include any capital expenditures except solely (i) capital expenditures required pursuant to any law which is first enacted following the Commencement Date (in which case the same shall be amortized in accordance with the Lease), subject to a cap to be agreed upon; and (ii) capital expenditures to the extent such expenditures reduce Operating Expenses (in which case the same shall be amortized in accordance with the Lease), subject to a cap to be agreed upon.

Landlord shall install, at Landlord's sole cost and expense, an energy management system for controlling and metering/submetering all utilities serving the Premises and Building and shall bill Tenant for Tenant's actual consumption in the Premises without overhead or profit. To be further defined in the Lease.

2. Audit: Landlord agrees that Tenant will have the right to audit base year and computation year expenses or taxes of the Building for a period up to three (3) years following the receipt of any final statement of expenses or taxes for the applicable year. Tenant shall have the right to audit Landlord's books at the building management office. If it is determined that Landlord overbilled Tenant by 3% or more, then Landlord shall reimburse Tenant for all reasonable out-of-pocket costs of its audit and all reasonable out-of-pocket costs incurred in connection with any arbitration (including the costs of *any* independent arbitrator resolving such dispute in the event Landlord and Tenant are unable to resolve such dispute (an "Independent Arbitrator")). If it is determined that Landlord did not overbill Tenant, then Tenant shall reimburse Landlord for all reasonable out-of-pocket costs incurred in connection with Tenant's audit and all reasonable out-of-pocket costs incurred in connection with any arbitration (including the costs of any Independent Arbitrator). In all other circumstances, each party shall bear its own costs of any such audit and arbitration and shall share on a 50/50 basis the costs of the Independent Arbitrator. Tenant's auditor may be an employee of Tenant or a regionally, industry-recognized auditor and may be engaged in a compensation manner consistent with recognized auditors of Class A properties in the market area, but in no event shall the auditor be compensated on a contingency basis. In the event the parties cannot agree on the audit results, then an expedited arbitration dispute mechanism shall apply.

Subject to further definition in the Lease, Tenant shall have the right to audit Landlord's books and records with respect to Building operating expense escalations for up to two (2) years after receipt of a final Operating Statement following the end of a Calendar Year from Landlord. If Tenant's audit uncovers an error in an amount

of \$50,000 or greater, Tenant shall have the right to go back to the prior year(s) to audit Landlord's books and records. If it is determined that Landlord overbilled Tenant by 3% or more, then Landlord shall reimburse Tenant for all reasonable out-of-pocket costs of its audit and all reasonable out-of-pocket costs incurred in connection with any arbitration (including the costs of any independent arbitrator resolving such dispute in the event Landlord and Tenant are unable to resolve such dispute (an "Independent Arbitrator")). If it is determined that Landlord did not overbill Tenant, then Tenant shall reimburse Landlord for all reasonable out-of-pocket costs incurred in connection with Tenant's audit and all reasonable out-of-pocket costs incurred in connection with any arbitration (including the costs of any Independent Arbitrator). Tenant can use a regionally recognized auditor or their own employee, as long as they are not reviewing or being compensated on a contingency basis.

3. Landlord agrees to cap the increases in "controllable" operating expenses at four percent (4%) per year (based on the aggregate dollar amount for "controllable" operating expenses), on a cumulative and compounding basis. Controllable expenses are defined as all direct Operating Expenses except real estate taxes, insurance, and Building utilities (excluding tenants' premises). Further details to be defined in the Lease.

- a. Please provide information regarding any PILOT or other RET program in place. Confirm if there are any existing or anticipated municipal incentives programs in Landlord's favor limiting tax liability (if yes, when do they expire?).

Landlord Response: A TIF for The Fifth & Broadway project is approved through MDHN Metro Nashville totaling \$25 MM.

- b. Each time Landlord provides Tenant with an actual and/or estimated statement of Operating Expenses, such statement shall be itemized on a line item by line item basis, showing the applicable expense for the applicable year. Actual statements to be certified by an independent CPA.
- c. Landlord to provide Tenant with copies of all real estate tax bills upon receipt. Landlord will contest real estate taxes upon Tenant's request.

**20. Security Deposit:**

None, provided AllianceBernstein LP. is the Tenant or Guarantor.

**21. First Month's Rent:**

The first (1st) month's Rent shall not be payable-until the Free Rent Period has expired.

**22. Use:**

Tenant shall have the right to use and occupy the Premises for general business offices, including without limitation, the operations of Tenant, and any other lawful purpose. Without limiting the foregoing, the use clause in the Lease will allow for additional ancillary uses required by larger tenants, including, without limitation (to be further clarified in the Lease): (i) cafeteria/dining room, kitchens, (ii) computer and communications systems and studio space, (iii) libraries, (iv) day care facilities, (v) health and recreation facilities, (vi) board rooms/training rooms, (vii) first-aid room, (viii) messenger and mail room facilities, (ix) employee lounges, (x) file rooms, (xi) audio visual and closed circuit television facilities, (xii) trading floors, (xiii) auditorium, and (xiv) security rooms.

**23. Building Profile:**

Please provide a complete Building Profile and specifications. Information shall include but shall not be limited to:

- Total Building RSF: 371,570
- Number of Floors: Eight (8) levels of above ground parking, main entry lobby located at Commerce Street entrance, fourteen (14) conditioned floors from level eleven (11-amenity deck) to level twenty-five (25).
- Slab to Slab Heights: 14 feet, floor to floor on office levels
- LEED Certification: Pursuing LEED Silver designation

**24. Building Systems and Overall Description:**

Office structure includes (2) primary vehicular entrances on Level 01 at Fifth Avenue and Level 02, Commerce St. Main entry lobby and access to adjacent to Food Hall located on Level 02 with 8 levels of above ground parking above housed in a concrete structure. Levels 11-25 are steel structure with glazed curtain wall system. Level 26 is top level with partial occupancy and structure to conceal mechanical loft. Mechanical system is condenser water system with vertical self contained water cooled air handling units on each floor.

**25. Building Infrastructure Upgrades:**

Landlord will upgrade the acoustical quality of the curtain wall glazing on the south and east sides of the floors of the entire Building at its sole cost and expense. Landlord is evaluating the required upgrade options, including but not exclusive to unbalanced laminated glazing. The scope and specifications to be mutually agreed by Landlord, Tenant, and the Tenant's consultants.

Tenant has chosen option #3 as described in the RDA ALLIANCEBERNSTEIN

GENERATOR AND AIR CONDITIONING OPTIONS REGIONAL OFFICE FACILITIES bulletin dated April 3, 2018 (Exhibit A) and AB Tenant Improvements Summary provided by OliverMcMillan on April 11, 2018 (Exhibit B) as additional infrastructure upgrades to the building. Accordingly, Landlord, at Landlord's sole cost and expense, will pay for one hundred percent (100%) of such upgrades. Infrastructure upgrades requested by Tenant shall not constitute a Tenant Delay.

**26. Building Entrances and Lobbies:**

Lobbies and entrances shall be consistent with best-in-class office buildings in Nashville. Access to elevator lobby is via turnstile system, barriers with full time monitoring at concierge desk.

Landlord is considering an art program in the common areas provided the cost relating thereto will not be included in Operating Expenses.

**27. Landlord's Delivery Condition:**

The Premises shall be delivered in broom clean condition, free of debris. Floors to be

level to accept glue down carpet.

Core doors and frames associated with the core & shell construction shall be painted and finished with ADA compliant standard hardware.

Core walls at Back of House/service areas and elevator landing points to be ready for tenant finish. Structural steel columns at perimeter to be fireproofed with sheetrock.

- Meters, properly sized high and low voltage panels electric panels, and transformers should be in place on each floor of the Premises.

Adequate electrical capacity to properly sized distribution panels on each floor.

Two locations for telephone/telecom/data are within the central core but not on opposite sides.

Complete fire protection infrastructure, including combination standpipe/sprinkler risers, pumps, valve connections and a main temporary and permanent sprinkler loop on each floor of the Premises which is fully operational, code compliant and ready for Tenant branch piping and sprinkler head installation.

Base building HVAC system complete and in good working order on each floor of the Premises, with trunk duct and heating elements or hot water piping to the perimeter heating zone, fresh air intake, controls, smoke and fire dampers in compliance with code at the core of each floor of the Premises, complete with all fire smoke dampers and smoke detectors wired to the fire alarm system.

All Building systems brought into the Premises are fully operational and in accordance with agreed upon capacities and specifications. Subject to confirmation of capacities and specifications.

Provision of connection points on each floor for Tenant synchronized strobes and related fire alarm connections (number to be determined). Landlord shall provide all points and software reprogramming. All base Building fire and safety systems, including alarms, speakers, communications, etc. shall be in full service and available on all floors of the Premises.

The Premises shall be in compliance with all local laws, including the American with Disabilities Act, and the Premises shall be free from hazardous materials.

Landlord shall deliver all full floors and the multi-tenant floors with new, Building-standard bathrooms.

## **28. Sublease and Assignment and Subletting:**

Assignment and Subletting: Tenant shall be permitted to assign the Lease and to sublease all or any portion of the Premises with Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed beyond ten (10) days of Landlord's receipt of Tenant's request or Landlord shall be deemed to have consented.

Successor: Affiliate: Landlord consent shall not be required with respect to (i) any assignment to a successor resulting from customary corporate transactions including, but not limited to, a consolidation, merger or purchase of substantially all of Tenant's assets or equity, or the assets or equity of the business unit occupying the space,

(ii) any assignment or sublease to a person or entity who controls, is controlled by, or under common control with Tenant (an "Affiliate") (with "control meaning the power and authority to direct the day to day business and affairs), or (iii) any entity which directly or indirectly acquires

business unit occupying any portion of the Premises, or any Affiliate of any such acquirer. The Lease will contain Permitted Transfer language, which shall be approved by Landlord's counsel.

Recapture: Unless Tenant proposes to dispose of all of its space for its entire remaining term, Landlord shall not have any rights to recapture the Premises or any portion of the Premises in the event of a sublease. In the event Landlord recaptures, Landlord and Tenant will share Landlord's net profits equally. Landlord will not have any recapture rights in connection with transactions for which Landlord's consent is not required.

Profits: Landlord shall be entitled to share equally in any net sublease profits. In calculating net sublease profits, Tenant shall be permitted to deduct all transaction costs (including, without limitation, free rent, cash contributions or other work required to prepare the space for the incoming subtenant, commissions, legal fees etc.) as well as the unamortized out of pocket costs for Tenant's Leasehold improvements previously performed. Landlord will not have any right to share in profits in connection with transactions for which Landlord's consent is not required.

Permitted Occupants: Tenant shall be permitted, without Landlord's consent, to allow persons or entities with whom Tenant has an ongoing business relationship to use portions of the Premises, subject to commercially reasonable permitted occupant provisions to be agreed in the Lease.

Non-Disturbance Agreements: Landlord shall provide Non-Disturbance Agreements to any full floor Subtenants at 'then' escalated rents. To be addressed in the Lease.

### **29. Competitors:**

Landlord shall not Lease space to any Tenant competitors (list of competitors to be provided at a later date and Tenant will have the right to update the list not more than once annually). In addition, the building shall not be named for a competitor, nor shall there be any competitor signage on the Building entrance or other portions of the exterior, in the lobby (excluding the directory), elevators, or the plaza or on monuments or similar for so long as the Lease is in effect.

As long as Tenant leases not less than 60% of the initial Premises, Landlord will not provide top of building signage or lobby signage or other exterior signage to any non-competitors. Landlord shall have the right to offer non competitors signage on a multi-tenant monument sign and on the directory in the lobby provided Tenant's signage is on the top of the monument with its logo and the largest font on the monument. The definition, number, and process of defining competitor shall be agreed upon in the Lease.

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### **30. Compliance:**

The Building shall be in compliance with all Laws. Landlord shall warrant and represent to Tenant that the Premises and the Building will be in full compliance with all governmental regulations, ordinances, and laws existing at the commencement date, including, but not limited to, laws pertaining to access (including without limitation, the ADA) and laws pertaining to hazardous substances. The Landlord shall furnish to Tenant prior to the execution of the Lease a letter certifying that the Premises are free of all hazardous materials or toxic mold and that there are no environmental issues with any local, city, state or federal authorities.



**31. Building Maintenance:**

The Building shall be maintained and operated in a first class manner, and Landlord shall keep the Building Structure and the Building Systems and common areas in first class condition and repair.

**32. Base Building HVAC:**

Vertical self-contained water cooled DX air handling units (SWUD) located on each floor in a dedicated AHU room. Unit supply is routed to a cooling tower on the roof. Normal building hours shall be 7:00 AM to 7:00 PM EST on weekdays and 8:00 AM to 1:00 PM EST on Saturday, at no cost to the Tenant

**33. Supplemental HVAC:**

Tenant estimates that it will require approximately 200 tons of condenser water for its supplemental systems. Landlord's Base Building systems will be required to supply such condenser water as part of its Base Building design and at Landlord's sole cost and expense pay for one hundred percent (100%) of the cost associated with increasing the supply of such condenser water. Tenant shall pay Landlord actual out of pocket costs for utilities only to supply such condenser water.

Tenant shall not be required to pump building system supplementary water services. Tenant shall not be charged any "lap-in" fees.

Landlord shall provide space for tenant cooling system for its critical systems and pathway for the risers piping. Landlord shall work with Tenant to determine locations and clear pathway for riser piping.

**34. Electricity:**

Total power provided is eight (8) watts per rentable square foot including 1.5 watts for lighting and 6.5 watts for receptacles (the "Base"). All Tenant electric charges shall be sub-metered, with submeters installed by Landlord at Landlord's cost, at actual cost without profit or overhead charge by Landlord. In the event Tenant requires power in excess of the Base amount, Tenant shall pay to Landlord its actual cost without markup of providing such excess power, without a profit or overhead charge by Landlord; however, Tenant shall be responsible for all costs associated with installing and metering such excess power.

The base building substations and main switchboards shall be redundant and adequate to power all base building systems in addition to the demised tenant premises. Tenant will require additional power for its Trading Floor, equipment rooms and certain other areas.

The Landlord shall provide adequate space near the base building main switchboard-s for Tenant's paralleling gear and ATS's for its emergency power. Additionally the Landlord shall provide adequate space at the base building main switchboards for Tenant to take dedicated power to Tenant's ATS and from ATS to Tenant emergency distribution boards.. Landlord will provide adequate riser space for Tenant's dedicated risers from its emergency power system.

Tenant will require diverse secure locations (not less than 50 feet apart) in the building space for its dedicated UPS battery systems and associated switchgear and exhausts. Landlord shall work with Tenant to identify locations and required clearances.

**35. Cleaning Services:**

Landlord will provide cleaning services commensurate with other Class A buildings in downtown Nashville, the specifications of which shall be attached as an exhibit to the Lease.

Tenant shall have the right to contract for additional cleaning, at its option, for items outside of the Building cleaning specification, utilizing contractors of its choice. Off-hours janitorial service and extras will be charged at Landlord's actual cost. Additionally, Tenant, at its option, may elect to directly contract for cleaning and janitorial service to the Premises and shall receive a credit against fixed rent from Landlord for the cost thereof and Operating Expenses shall not include any costs relating to cleaning and janitorial services (other than for common areas), so long as Tenant's hired contractors meet all insurance requirements of the Building. If Tenant elects to directly contract for cleaning and janitorial service to the Premises, those costs will be deducted from Tenant's share of the Building Operating Expenses.

**36. Other Services:**

Tenant shall have the right to directly contract for food, catering and other specialty services to the Premises . Subject to further definition in the Lease.

**37. Vertical Transport:**

See the Vertical Transportation Overview previously provided by Landlord to Tenant.

**38. Freight Elevators and Loading Dock:**

There shall be no fee associated with freight elevator or loading dock using during the performance of Tenant's initial construction or move in to the Premises. After occupancy, there shall be no charge for the freight elevator and loading dock at any time.

In addition, during Tenant's initial construction while the core & shell is still under construction, Tenant shall have the right to use the hoists, subordinate to Landlord's contractors' use of the hoist and so long as Tenant's use of the hoist does not interfere with Landlord's core & shell construction. Once in service, Tenant shall also have the right to use the freight elevators and one (1) passenger elevator during the construction of the initial Tenant Improvements in the Premises. Tenant shall be responsible for any restoration required in the passenger elevator used by Tenant for construction purposes.

**39. Domestic Hot Water:**

Shall be supplied at 105-120 degrees Fahrenheit.

**40. Additional Utilities and Services:**

After-hours and any other utilities and services required by Tenant will be supplied to Tenant at Landlord's actual out of pocket cost. Landlord's out of pocket cost shall also include reasonable depreciation costs only for the floor by floor DX Units if applicable.

**41. Access:**

Tenant shall have access to the Premises and Building 24 hours a day, 7 days a week. Tenant shall have the right to use the fire stairs connecting the floors of the Premises as convenience stairs. Tenant shall have the right, at Tenant's sole cost and expense, to install an internal security system as part of this right, and may tie such system

into the Building's security and Class E systems. In addition, Tenant shall be allowed, at Tenant's sole cost and expense, to upgrade fire stairs located on the floors of the Premises to its cosmetic standards.

**42. Service Outage:**

Subject to further definition in the Lease, in the event a Use Interruption (defined below), shall continue for five (5) consecutive business days, then the Rent shall abate from the commencement of such Use Interruption until the cure thereof. "Use Interruption" shall mean Tenant's use or access to all or any portion of the Premises shall be impaired or restricted as a result of any circumstance that is not due to Tenant's acts (such as, by way of example, Landlord's default of its maintenance or repair obligations, Tenant not receiving a building service or utility, or the performance of any work by Landlord or any other tenant); provided that, in order to constitute a Use Interruption, Tenant shall have, in fact, ceased to use the Premises or any portion of the Premises. Any such abatement would only apply to the affected portions of the Premises in the event that the entire Premises shall not be affected; provided that the parties acknowledge that the entire Premises would be deemed unusable in certain events affecting Tenant's critical systems.

**43. Building Security:**

- (a) One primary security desk to monitor access to the upper floors and parking garage. The desk will be staffed by building management. Landlord is willing to discuss Tenant's security preferences as negotiations advance. Tenant at its option may have up to two (2) of its own lobby desk attendants.
- (b) All visitors shall be required to check in at the security desk. Tenants shall have access to the office floors via card key access. Security personnel in the lobby shall have attire and skill sets commensurate with Class A office buildings in downtown Nashville.
- (c) The Building must maintain a restricted-access program for all tenants and their employees and visitors. The program shall consist of a combination of controlled electronic access (i.e., turnstiles), electronic surveillance and uniformed security guards to monitor and record Building activity on a 24-hour basis.
- (d) Tenant employees shall be issued electronic proximity card that will enable them access into the lobby areas, elevators and the office floors. Landlord's card system must be compatible with Tenant's Security System. At Tenant's option, Landlord's system shall accept Tenant's issued company ID card. To be confirmed upon details regarding Tenant's security system.
- (e) Tenant may have its own security personnel within the Premises.
- (f) Landlord at its sole cost and expense shall install security turnstiles in the lobby of the Building. If desired by Tenant or reasonably deemed necessary by Landlord, Tenant shall provide its own security personnel to check in Tenant's invitees.

#### **44. Identity And Signage:**

Building Exterior Signage: So long as Tenant leases not less than 60% of the initial Premises, Tenant shall have the exclusive right to top of Building signage in two (2) mutually agreeable locations and other exterior building signage, including but not limited to monument signage (to be further discussed). Tenant shall be responsible for all costs associated with the design, structural requirements, fabrication, installation, and maintenance of its Building signage.

All exterior signage shall be subject to Landlord approval and to all codes and ordinances as governed by Nashville's Downtown Code (OTC).

Lobby/Entrance Signage: Tenant shall have the right, at Tenant's sole cost and expense, to install its name and logo in one location near the entrance to the elevator lobby serving the upper floors. The specific location, size, and specifications of the sign shall be reasonably approved by Landlord in advance. Tenant shall be responsible for all costs associated with the design, structural requirements, fabrication, installation, and maintenance of its signage in the Building lobby.

On-floor Signage: Landlord shall install at its cost Building-standard suite entry signage for Tenant on partial floors. Landlord shall permit Tenant to install additional on-floor signage at Tenant's expense, provided Tenant's on-floor signage, other than Building-standard suite entry signage, is limited to full floors and is paid for by Tenant.

Monument Signage: Provided Tenant leases not less than 60% of the initial Premises, at Tenant's sole cost and expense, Tenant shall have the right to install its own monument sign in a mutually agreeable location near the entrance of the Building, subject to Landlord's reasonable approval of the design and specifications and subject to any codes or ordinances regulating the approval of such monument signage. Landlord may elect, but shall not be obligated, to require removal and restoration by Tenant of its Monument Signage upon the expiration of the Lease.

Directory: Tenant shall be entitled to its proportionate share of directory space.

Name: The building shall be named and identified as the "AllianceBernstein Building" (or any other trade name used by Tenant) so long as Tenant leases not less than 60% of the initial Premises. However, Landlord shall not be restricted from referencing the Building as 501 Commerce.

See additional signage language in Section 29 "Competitors"

#### **45. Alterations:**

Tenant shall be permitted, without the need for Landlord's consent, to perform certain Alterations that meet an objective test (i.e.: non-structural, do not adversely affect the proper functioning of Building Systems, do not adversely affect the structural integrity of the Building, and have no material aesthetic effect on the Building exterior). Landlord's consent shall not be unreasonably withheld, conditioned or delayed for any Alterations. Work of decorative nature (e.g., carpeting, painting, light furniture installation, low voltage cabling) shall not be included in the definition of "Alteration".

#### **46. Amenities:**

Amenities on-site (which Landlord shall be required to provide at no cost to Tenant throughout the lease term and any extensions) include a high-end fitness center with lockers & showers, a tenant lounge, an outdoor amenity deck with seating and TVs, a conference center to accommodate over 100 people, and direct access to The Nashville Public market containing 40,000 square feet of dining options. In addition, office tenants have walkable access to the over 180,000 square feet of retail and dining options located within the overall Fifth + Broadway project. Currently downtown there are 247 dining destinations, 5,500 existing hotel rooms, and 2,700 under construction hotel rooms. Major amenities and destinations in close proximity to the Building are identified on the enclosed exhibit (Refer to amenities map).

**47. Parking:**

Tenant shall be allowed to use parking spaces to be located in the Landlord's garage at a ratio equal to 2.7 spaces per 1,000 RSF leased, up to ten percent (10%) of which may be converted to reserved spaces. The current monthly charge for each unreserved and reserved space is \$150.00 and \$200.00 respectively, however, Tenant shall pay fifty percent (50%) of the rate for the first year from the date Tenant commences operation of its business in the Premises. In addition, within three hundred sixty five (365) days of the Commencement Date, Tenant shall have the right to increase its parking ratio to equal 3.0/1,000 RSF leased in the initial Premises. All parking charges shall be charged to and the responsibility of Tenant, and Tenant shall be required to pay for all parking spaces included in Tenant's parking ratio throughout the Lease Term. If Tenant makes the election to increase to 3.0/1,000 RSF leased, the additional parking spaces shall all be unreserved and at the same parking charges as stated above. Notwithstanding the foregoing, Tenant shall have the option at the end of the thirty-sixth (36th) month of the Lease Term to relinquish up to twenty-five percent (25%) of its parking spaces and at the end of the sixtieth (60) month of the Lease Term to be relinquished up to fifty percent (50%) of its parking spaces, provided Tenant's parking ratio shall be adjusted accordingly for the remainder of the Lease Term.

Visitor Parking: Parking spaces above ground total approximately 915 spaces, approximately ten percent (10%) of which shall be dedicated to visitors during business hours. Landlord shall have the right to allow transient parking in the Building's parking garage.

**48. Storage and Mechanical Space:**

The Building offers storage space totaling approximately 2,865 RSF, ranging from approximately 438 - 1,290 RSF on the garage floors. If Tenant requests storage space during the Lease Term, Landlord will notify Tenant of any available storage space and the then current cost for such space.

**49. Kitchen and Exhaust:**

Tenant shall have the right to install a kitchen in the Premises with prior Landlord reasonable approval of the design and specifications. Any exhaust requirements for the kitchen and other areas shall also be subject to Landlord's reasonable approval of the design and specifications.

**50. Roof Rights:**

Tenant shall be entitled to its pro rata share of the roofs at no charge. Tenant shall have the right to install and maintain on the Building roof equipment, GPS receivers, antennae and satellite dishes and other equipment as necessary for Tenant's business, including, but not limited to, mechanical, communication and data transmission network. The location of such equipment shall be at a location designated by Landlord that will allow Tenant to transmit and receive reception without interference. Tenant shall be entitled to access the roof through Building shafts for Tenant's installations for its occupancy needs. Such installations may include, but not be limited to: mechanical or electrical equipment, conduits, cables, transmitters, receivers, computer and voice processing equipment, cooling towers, chillers, electrical substations, generators, microwave dishes, reflectors and any other devices which may be desirable to Tenant's business. Landlord to verify any zoning restrictions (i.e. height of equipment) applicable to the roof of the Building.

Landlord is willing to accommodate Tenant's rooftop equipment needs but requests more specifics from Tenant as to the size and quantity of each item.

**51. Bicycle Storage:**

There will be a secured, enclosed bicycle storage room located in the parking garage available to Tenant at no charge.

**52. Building Points of Entry (POE):**

Landlord will provide two (2) building points of entry (POE) to support different telecommunications vendor at each point of entry.

**53. Dedicated Risers:**

Tenant will be permitted to install at least six (6) 4" dedicated conduits in each of two (2) dedicated diverse secure locations (not less than 100 feet apart) in the Building. The pathway for the conduit shall extend from each of two (2) separate and diverse Building communications POE's (not less than 20 feet apart) to each floor of the Premises and the roof. The distance between the two (2) POE's to be confirmed.

**54. Generators:**

Landlord will work with Tenant to identify locations for dedicated generators as outlined in #25 above and in Exhibits A & B.

**55. Telecommunications Providers:**

Landlord shall provide at least two (2) diverse POE's for certain providers. There shall be no restrictions or cost governing Tenant's ability to arrange for additional providers and/or access .

Per Landlord, anticipated telecom providers include AT&T, Comcast, and Google Fiber. Landlord is currently working to confirm timing for Google Fiber's availability at this location.

**56. Municipal Incentives:**

This proposal and any potential Lease or other obligations are contingent upon Tenant obtaining approval of incentives from the State and local municipalities, which are currently being actively negotiated. Landlord shall cooperate with Tenant to allow receipt of such benefits.

**57. Non-Disturbance Agreement:**

Landlord shall provide Tenant with a Non-Disturbance Agreement(s) reasonably acceptable to Tenant (each an "SNDA") from any ground lessor (each, a "Superior Lessor") or mortgage holders or lien holders (each, a "Superior Mortgagee") then in existence. Commencement Date shall be conditioned on delivery of SNDA from all Superior Mortgagees or Lessors in form reasonably satisfactory to Tenant.

Landlord shall provide Tenant with an SNDA from any Superior Lessor or Superior Mortgagee of Landlord who later comes into existence at any time prior to the expiration of the Term of the Lease as a condition precedent to any obligation of Tenant to subordinate its interests to any such person.

Such SNDA's shall acknowledge that, to the extent the Tenant Improvement Allowance, offsets, unpaid arbitration or court award, remaining credit of Base Rent and/or Operating Expenses, or unpaid commission due and owing to Tenant's real estate broker are not fully paid by Landlord when due, Tenant may deduct the amount of such unpaid portion from the rent next becoming due and payable.

**58. Arbitration:**

All disputes regarding consents and approvals between the parties will be resolved by expedited arbitration.

**59. Most Favored Nations:**

The Lease will provide for a most favored nations clause relating to all sundries, overtime charges, etc.

**60. Confidentiality:**

The parties recognize the need for confidentiality with respect to the terms herein and the fact that discussions are taking place between the parties about the potential leasing of space at 501 Commerce Street. The parties and their advisors shall not disclose to third parties (other than to Landlord's or Tenant's counsel who shall be instructed to keep the terms hereof confidential):

The existence of this proposal, The terms

thereof;

The fact that discussions are taking place regarding the potential leasing of space at 501 Commerce Street.

**61. Approval:**

This Proposal has the full approval of Landlord, and there is currently no lender.

**62. Options and Rights:**

All options and rights are not personal to Tenant.

## **Guidelines for Transfer of AllianceBernstein L.P. Units**

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**No transfer of ownership of the units of AllianceBernstein L.P. (the private partnership) is permitted without prior approval of AllianceBernstein and Equitable Holdings, Inc. ("EQH").**

**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 EQH 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 EQH for 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](http://www.computershare.com/investor).

**To donate the Units:**

The donor must obtain approval of AllianceBernstein EQH 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](http://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 EQH 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](http://www.computershare.com/investor).

Once AllianceBernstein and EQH (or its designee) 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  
ablegal - 4073668  
Phone: (212) 969-1429  
Email: david.lesser@alliancebernstein.com

**AMENDMENT  
TO THE  
PROFIT SHARING PLAN FOR EMPLOYEES  
OF  
ALLIANCEBERNSTEIN L.P.**

**WHEREAS**, AllianceBernstein, L.P. (the “Company”) maintains the Profit Sharing Plan for Employees of AllianceBernstein L.P., amended and restated as of January 1, 2015, as amended (the “Plan”); and

**WHEREAS**, pursuant to subsection 16.01 of the Plan, the Company, by action of 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, may amend the Plan, subject to certain restrictions in the Plan; and

**WHEREAS**, the Company desires to amend the Plan to exclude certain employees and to incorporate changes required by the Setting Every Community Up for Retirement Enhancement Act of 2019 and the Coronavirus Aid, Relief, and Economic Security Act of 2020.

**NOW, THEREFORE**, the Plan is hereby amended, effective May 15, 2022 or as otherwise specifically set forth below, as follows:

1. A new subsection is added to Section 1.19(c), the definition of “Excluded Employee,” as follows:
  - (7) is employed as an intern; provided, however, that if any such intern (i) completes 12 months of service, accrues 1000 or more Hours of Service in a single Plan Year, and is over age 21, or (ii) completes 500 or more Hours of Service in three consecutive Plan Years and is over age 21, then such Employee shall become a Member of the Plan.
2. Section 1.41 is hereby amended in its entirety to read as follows:

“Required Beginning Date” means

- (a) Effective January 1, 2020:
  - (1) for a Member who has not attained age 70½ as of December 31, 2019 and who is not a 5 percent owner (as defined in Code Section 415) in the Plan Year in which he attains age 72, April 1 of the calendar year following the calendar year in which occurs the later of the Member’s (i) attainment of age 72 or (ii) Retirement.
  - (2) For a Member who has not attained age 70½ as of December 31, 2019 and who is a 5 percent owner (as defined in Code Section 415) in the Plan Year in which he attains age 72, April 1 of the calendar year following the calendar year in the Member attains age 72.
- (b) For Plan Years prior to January 1, 2020:
  - (1) for a Member who is not a 5 percent owner (as defined in Code Section 415) 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.
  - (2) For a Member who (i) is a 5 percent owner (as defined in Code Section 415) 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 the Member attains age 70½.

- (3) Notwithstanding the foregoing, effective January 1, 2004, the Required Beginning Date of any Member of attained age 70 ½ 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.

3. Section 5.01(a) is hereby amended in its entirety to read as follows:

(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. The Board, the Investment Committee, or the Administrative Committee may from time to time impose limitations on the Member Salary Deferral Percentage, including limitations that apply only to Highly Compensated Employees, as the Board, the Investment Committee, or the Administrative Committee in good faith determine advisable to ensure compliance with any Federal income tax rule or for administrative feasibility

4. Section 7.5 is hereby amended in its entirety to read as follows:

Required Beginning Date. The date specified in Section 1.41 of the Plan.

5. Section 8.07 is hereby amended to add a new subsection (g) as follows:

(g) Effective March 27, 2020:

- (1) Members who are Qualified Individuals (as defined in Section 11.10(d)(1)) shall be eligible for loans pursuant to this Section 8.07 except that the \$50,000 limit set forth in Section 8.07(c)(1) shall be replaced by a \$100,000 limit and the limit of one-half of the present value of the non-forfeitable accrued benefit of the Member set forth in Section 8.07(c)(2) shall be replaced by a limit equal to the present value of the non-forfeitable accrued benefit of the Member, provided such loan is made during the period beginning March 27, 2020 and ending on September 22, 2020.
- (2) Members who are Qualified Individuals with outstanding loans on or after March 27, 2020, shall be subject to the following relief:

- (A) If the due date for any repayment with respect to the Qualified Individual's loan occurs during the period beginning March 27, 2020 and ending December 31, 2020, such due date shall be delayed for one year;
- (B) Any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date under Section 8.07(g)(2)(A) above and any interest accruing during such delay; and
- (C) In determining the 5-year period and the term of a loan, the period described in Section 8.07(g)(2)(A) shall be disregarded.

6. Section 11.08(a) is hereby amended to add a new subsection (3) as follows:

- (3) Notwithstanding anything in this Section 11.08 or Appendix A to the contrary, effective January 1, 2020, a Member or Beneficiary who would have been required to receive a required minimum distribution in the 2020 calendar year (or who would have been required to receive a required minimum distribution in 2021 with a Required Beginning Date of April 1, 2021 for the 2020 calendar year) will not receive this distribution unless the Member or Beneficiary chooses to receive the distribution.

7. Section 11.10 is hereby amended to add a new subsection (d) as follows:

- (d) Effective January 1, 2020 through December 30, 2020, each Member and Beneficiary who is a "Qualified Individual" may elect to withdraw up to \$100,000 from his or her Member Contributions Account and the actual earnings thereon in the form of a "Coronavirus-Related Distribution."
- (1) A Coronavirus-Related Distribution shall mean a distribution from the Plan to a Member or Beneficiary who is a "Qualified Individual." A Qualified Individual is a Member or Beneficiary:
  - (A) Who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease (COVID-19) by a test approved by the Centers for Disease Control and Prevention,
  - (B) Whose spouse or dependent (as defined in Code Section 152) is diagnosed with such virus or disease by such a test, or
  - (C) Who experiences adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reducing hours of a business owned or operated by the individual due to such virus or disease, or other factors as determined by the Secretary of the Treasury (or the Secretary's delegate).
- (2) The Administrative Committee may rely on a Member's or Beneficiary's certification that the Member or Beneficiary meets a condition to be considered a Qualified Individual in determining whether to allow a Coronavirus-Related Distribution.
- (3) Any Member who receives a Coronavirus-Related Distribution may, at any time during the 3-year period beginning on the day after the date on which such Coronavirus-Related Distribution was received, make one or more contributions in an aggregate amount not to exceed the amount of such Coronavirus-Related Distribution to the Plan.



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)

AB Custom Alternative Solutions LLC  
(Delaware)

AllianceBernstein Investments, Inc.  
(Delaware)

AllianceBernstein Investor Services, Inc.  
(Delaware)

AllianceBernstein Oceanic Corporation  
(Delaware)

Autonomous Research U.S. L.P.  
(Delaware)

AB Broadly Syndicated Loan Manager LLC  
(Delaware)

AnchorPath Financial, LLC  
(Delaware)

AnchorPath GP, LLC  
(Delaware)

AB Distribution Vehicle LLC  
(Delaware)

Sanford C. Bernstein Global Holdings LLC  
(Delaware)

Bernstein Institutional Services LLC  
(Delaware)

AllianceBernstein Canada, Inc.  
(Canada)

Sanford C. Bernstein (Canada) Limited  
(Canada)

AllianceBernstein (Mexico), S. de R.L. de C.V.  
(Mexico)

AllianceBernstein Administradora de Carteiras (Brasil) Ltda.  
(Brazil)

AllianceBernstein (Argentina) S.R.L.  
(Argentina)

AllianceBernstein (Chil ) SpA  
(Chil )

AllianceBernstein Holdings Limited  
(U.K.)

AllianceBernstein Preferred Limited  
(U.K.)

AllianceBernstein Limited  
(UK)

AllianceBernstein Services Limited  
(UK)

Sanford C. Bernstein Limited  
(UK)

Sanford C. Bernstein (CREST Nominees) Limited  
(UK)

Sanford C. Bernstein (Schweiz) GmbH  
(Switzerland)

Sanford C. Bernstein (Autonomous UK) 1 Limited  
(UK)

Bernstein Autonomous LLP  
(UK)

Autonomous Research Limited  
(UK)  
Lacarne Holdings Ltd.  
(UK)

Suzugia Limited  
(UK)

CPH Capital Fondsmaeglerselskab A/S  
(Denmark)

AllianceBernstein Schweiz AG  
(Switzerland)

AllianceBernstein (Luxembourg) S.a.r.l  
(Luxembourg)

AllianceBernstein (France) SAS  
(France)

AllianceBernstein Portugal, Unipessoal LDA  
(Portugal)

AB Bernstein Israel Ltd.  
(Israel)

AllianceBernstein Japan Ltd.  
(Japan)

Sanford C. Bernstein Japan KK  
(Japan; pending FSA approval)

AllianceBernstein Hong Kong Limited  
(Hong Kong)

Sanford C. Bernstein (Hong Kong) Limited  
(Hong Kong)

AllianceBernstein Asset Management (Korea) Ltd.  
(South Korea)

AllianceBernstein Investment Management Australia Limited  
(Australia)

AllianceBernstein Australia Limited  
(Australia)

Sanford C. Bernstein (Australia) Pty. Limited  
(Australia)

AllianceBernstein (Singapore) Ltd.  
(Singapore)

Sanford C. Bernstein (Singapore) Private Limited  
(Singapore)

AllianceBernstein Investments Taiwan Limited  
(Taiwan)

AllianceBernstein Management Consulting (Shanghai) Co., Ltd.  
(China)

AB (Shanghai) Overseas Investment Fund Management Co., Ltd.  
(China)

AllianceBernstein Fund Management Co., Ltd.  
(China; pending CSRC approval)

Alliance Capital (Mauritius) Private Limited  
(Mauritius)

AllianceBernstein Investment Research and Management (India) Private Ltd.  
(India)

AllianceBernstein Business Services Private Limited  
(India)

AllianceBernstein Solutions (India) Private Limited

(India)

Sanford C. Bernstein (India) Private Limited  
(India)

Sanford C. Bernstein Ireland Limited  
(Ireland)

W.P. Stewart & Co., LLC  
(Delaware)

WPS Advisors, LLC  
(Delaware)

W.P. Stewart Asset Management LLC  
(Delaware)

W.P. Stewart Asset Management (NA), LLC  
(New York)

W.P. Stewart Securities LLC  
(Delaware)

AB CarVal Investors L.P.  
(Delaware)

CarVal CLO Management GP, LLC  
(Delaware)

CarVal Management Holdings, L.P.  
(Delaware)

CarVal CLO Management, LLC  
(Delaware)

CVI Sandhills Holdings LLC  
(Delaware)

CarVal Carry GP Corp.  
(Cayman Islands)

CVI General Partner, LLC  
(Delaware)

CarVal Investors Luxembourg S.a.r.l.  
(Luxembourg)

CarVal Investors Ireland DAC  
(Ireland)

CarVal Investors UK Limited  
(UK)

CarVal Investors GB LLP  
(UK)

CarVal Portugal LDA  
(Portugal)

CarVal Investors Pte Ltd.  
(Singapore)

CarVal Investors PRC Holdings Pte. Ltd.  
(Singapore)

CarVal Wensheng Private Fund Management (Shanghai) Co., Ltd.  
(China)

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 10, 2023 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Nashville, Tennessee

February 10, 2023

I, Seth Bernstein, 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 10, 2023

/s/ Seth Bernstein

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Seth Bernstein  
Chief Executive Officer  
AllianceBernstein L.P.

I, Kate Burke, 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 10, 2023

/s/ Kate Burke

Kate Burke

Chief Operating Officer & Chief Financial Officer

AllianceBernstein L.P.

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, 2022 to be filed with the Securities and Exchange Commission on or about February 10, 2023 (the “Report”), I, Seth Bernstein, 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 10, 2023

/s/ Seth Bernstein  
\_\_\_\_\_  
Seth Bernstein  
Chief Executive Officer  
AllianceBernstein L.P.

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, 2022 to be filed with the Securities and Exchange Commission on or about February 10, 2023 (the “Report”), I, Kate Burke, Chief Operating Officer & 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 10, 2023

/s/ Kate Burke

Kate Burke

Chief Operating Officer & Chief Financial Officer  
AllianceBernstein L.P.