

MARTIN PAUL E
Form 4
May 03, 2019

FORM 4

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

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
MARTIN PAUL E

(Last) (First) (Middle)

555 MARYVILLE UNIVERSITY
DRIVE, SUITE 500

(Street)

ST LOUIS, MO 63141

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
PERFICIENT INC [PRFT]

3. Date of Earliest Transaction
(Month/Day/Year)
05/02/2019

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
X Officer (give title below) ____ Other (specify
below)

Chief Financial Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
X Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	05/02/2019		S ⁽¹⁾	25,000 D	\$ 30.88	172,674 D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

MARTIN PAUL E
555 MARYVILLE UNIVERSITY DRIVE
SUITE 500
ST LOUIS, MO 63141

Chief Financial Officer

Signatures

Paul E Martin 05/02/2019

__Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Shares were sold pursuant to shareholder's 10b5-1 trading plan adopted by owner on 12/7/18 with an effective date of 1/17/19.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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;background-color: #CCEEFF;padding:0pt;">

General partners' special allocation of certain general and administrative expenses (2)

1,000

1,000

Limited partners' interest in net income of ARLP

365,044

281,734

Explanation of Responses:

258,487

Less:

Distributions to participating securities

Explanation of Responses:

(5,114)

(4,339)

(3,391)

Undistributed earnings attributable to participating securities

(1,641)

(1,026)

(3,281)

Net income of ARLP available to limited partners

\$

358,289

\$

276,369

\$

251,815

Weighted-average limited partner units outstanding – basic and diluted

130,758

98,708

74,354

Basic and diluted net income of ARLP per limited partner unit (3)

\$

Explanation of Responses:

2.74

\$

2.80

\$

3.39

-
- (1) Amounts for 2018 reflect the impact of the Simplification Transactions which ended net income allocations and quarterly cash distributions to MGP after May 31, 2018. Amounts for 2017 reflect the impact of the Exchange Transaction ending distributions that would have been paid for the IDRs and a 0.99% general partner interest in ARLP, both of which were held by MGP prior to the Exchange Transaction. For the time period between the Exchange Transaction and the Simplification Transactions, MGP maintained a 1.0001% general partner interest in the Intermediate Partnership and a 0.001% managing member interest in Alliance Coal and thus received quarterly distributions and income and loss allocations during this time period.
 - (2) Prior to the Simplification Transactions, MGP made capital contributions of \$1.0 million each year during 2017 and 2016 to Alliance Coal for the purpose of funding certain general and administrative expenses. As provided under our partnership agreement, we made special allocations to MGP of certain general and administrative expenses equal to its contributions. Net income of ARLP allocated to the limited partners was not burdened by this expense.
 - (3) Diluted EPU gives effect to all potentially dilutive common units outstanding during the period using the treasury stock method. Diluted EPU excludes all potentially dilutive units calculated under the treasury stock method if their effect is anti-dilutive. For the year ended December 31, 2018, 2017 and 2016, the combined total of LTIP, SERP and Directors' Deferred Compensation Plan units of 1,658,908, 1,466,404 and 922,386, respectively, were considered anti-dilutive under the treasury stock method.

104

Table of Contents

On a pro forma basis, as if the Exchange Transaction and the Simplification Transactions had taken place on January 1, 2016, the reconciliation of net income of ARLP to basic and diluted earnings per unit and the weighted-average units used in computing EPU are as follows:

	Year Ended December 31,		
	2018	2017	2016
	(in thousands, except per unit data)		
Net income of ARLP	\$ 366,604	\$ 303,638	\$ 339,398
Pro forma adjustments (1)	(1,265)	(1,943)	(2,985)
Pro forma net income of ARLP	365,339	301,695	336,413
Less:			
Distributions to participating securities	(5,114)	(4,339)	(3,391)
Undistributed earnings attributable to participating securities	(1,627)	(680)	(1,548)
Net income of ARLP available to limited partners (2)	\$ 358,598	\$ 296,676	\$ 331,474
Weighted-average limited partner units outstanding – basic and diluted (2)	131,310	132,024	131,805
Pro forma basic and diluted net income of ARLP per limited partner unit (3)	\$ 2.73	\$ 2.25	\$ 2.51

- (1) Pro forma adjustments to the net income of ARLP primarily represent the elimination of administrative service revenues from AHGP and the inclusion of general and administrative expenses incurred at AHGP.
- (2) Net income of ARLP available to limited partners reflects net income allocations made for all periods presented based on the ownership structure subsequent to the Simplification Transactions. Accordingly, no general partner income allocations are presented above. Pro forma amounts above also reflect weighted average units outstanding as if the issuance of 56,128,141 ARLP common units in the Exchange Transaction and 1,322,388 ARLP common units in the Simplification Transactions applied to all periods presented.
- (3) Diluted EPU gives effect to all potentially dilutive common units outstanding during the period using the treasury stock method. Diluted EPU excludes all potentially dilutive units calculated under the treasury stock method if their effect is anti-dilutive. For the year ended December 31, 2018, 2017 and 2016, the combined total of LTIP, SERP and Directors' Deferred Compensation Plan units of 1,658,908, 1,466,404 and 922,386, respectively, were considered anti-dilutive under the treasury stock method.

13.EMPLOYEE BENEFIT PLANS

Defined Contribution Plans—Our eligible employees currently participate in a defined contribution profit sharing and savings plan ("PSSP") that we sponsor. The PSSP covers all regular full-time employees. PSSP participants may elect to make voluntary contributions to this plan up to a specified amount of their compensation. We make matching contributions based on a percent of an employee's eligible compensation and also make an additional non-matching contribution. Our contribution expense for the PSSP was approximately \$19.9 million, \$18.7 million and \$18.2 million for the years ended December 31, 2018, 2017 and 2016, respectively.

Explanation of Responses:

Defined Benefit Plan—Eligible employees at certain of our mining operations participate in a defined benefit plan (the "Pension Plan") that we sponsor. The Pension Plan is closed to new applicants and was amended in 2016 to remove any future benefit accruals for service effective January 31, 2017. The amendment did not materially affect pension benefits accrued prior to January 31, 2017. All participants can participate in enhanced benefits provisions under the PSSP. The benefit formula for the Pension Plan is a fixed-dollar unit based on years of service.

Table of Contents

The following sets forth changes in benefit obligations and plan assets for the years ended December 31, 2018 and 2017 and the funded status of the Pension Plan reconciled with the amounts reported in our consolidated financial statements:

	December 31, 2018 2017 (dollars in thousands)	
Change in benefit obligations:		
Benefit obligations at beginning of year	\$ 127,298	\$ 113,482
Interest cost	4,462	4,587
Actuarial (gain) loss	(8,562)	13,501
Benefits paid	(4,240)	(4,272)
Benefit obligations at end of year	118,958	127,298
Change in plan assets:		
Fair value of plan assets at beginning of year	81,981	71,412
Employer contribution	4,187	2,971
Actual return on plan assets	(6,105)	11,870
Benefits paid	(4,240)	(4,272)
Fair value of plan assets at end of year	75,823	81,981
Funded status at the end of year	\$ (43,135)	\$ (45,317)
Amounts recognized in balance sheet:		
Non-current liability	\$ (43,135)	\$ (45,317)
Amounts recognized in accumulated other comprehensive income consists of:		
Prior service cost	\$ (1,126)	\$ (1,312)
Net actuarial loss	(41,697)	(41,979)
	\$ (42,823)	\$ (43,291)
Weighted-average assumption to determine benefit obligations as of December 31,		
Discount rate	4.17%	3.54%
Weighted-average assumptions used to determine net periodic benefit cost for the year ended December 31,		
Discount rate	3.54%	4.06%
Expected return on plan assets	7.00%	7.00%

The actuarial gain component of the change in benefit obligation in 2018 was primarily attributable to an increase in the discount rate compared to December 31, 2017 and updated mortality tables, offset in part by decreases in expected retirements and other demographic changes. The actuarial loss component of the change in benefit obligation in 2017 was primarily attributable to a decrease in the discount rate compared to December 31, 2016 and updated retirement and withdrawal rates, offset in part by improved life expectancies.

Table of Contents

The expected long-term rate of return used to determine our pension liability is based on a 1.5% active management premium in addition to an asset allocation assumption of:

As of December 31, 2018	Asset allocation assumption
Equity securities	62%
Fixed income securities	33%
Real estate	5%
	100%

The actual return on plan assets was (6.7)% and 18.0% for the years ended December 31, 2018 and 2017, respectively.

	Year Ended December 31,		
	2018	2017	2016
	(in thousands)		
Components of net periodic benefit cost:			
Service cost	\$ —	\$ —	\$ 2,205
Interest cost	4,462	4,587	4,493
Expected return on plan assets	(5,784)	(4,978)	(5,138)
Amortization of prior service cost	186	186	—
Amortization of net loss	3,608	3,054	2,952
Net periodic benefit cost (1)	\$ 2,472	\$ 2,849	\$ 4,512

(1) Nonservice components of net periodic benefit cost are included in the Other expense line item within our consolidated statements of income (see Note 2 – Summary of Significant Accounting Policies).

	Year Ended December 31,	
	2018	2017
	(in thousands)	
Other changes in plan assets and benefit obligation recognized in accumulated other comprehensive loss:		
Net actuarial loss	\$ (3,326)	\$ (6,610)
Reversal of amortization item:		
Prior service cost	186	186
Net actuarial loss	3,608	3,054
Total recognized in accumulated other comprehensive loss	468	(3,370)

Explanation of Responses:

Net periodic benefit cost	(2,472)	(2,849)
Total recognized in net periodic benefit cost and accumulated other comprehensive loss	\$ (2,004)	\$ (6,219)

Estimated future benefit payments as of December 31, 2018 are as follows:

Year Ended December 31,	(in thousands)
2019	\$ 4,870
2020	5,257
2021	5,666
2022	6,016
2023	6,254
2024-2028	34,153
	\$ 62,216

We expect to contribute \$5.3 million to the Pension Plan in 2019.

Table of Contents

The Compensation Committee has appointed an investment manager with full investment authority with respect to Pension Plan investments subject to investment guidelines and compliance with ERISA or other applicable laws. The investment manager employs a series of asset allocation strategy phases to glide the portfolio risk commensurate with both plan characteristics and market conditions. The objective of the allocation policy is to reach and maintain fully funded status. The total portfolio allocation will be adjusted as the funded ratio of the Pension Plan changes and market conditions warrant. The target allocation includes investments in equity and fixed income commingled investment funds. Total account performance is reviewed at least annually, using a dynamic benchmark approach to track investment performance. General asset allocation guidelines at December 31, 2018 are as follows:

	Percentage of Total Portfolio		
	Minimum	Target	Maximum
Equity securities	45%	62%	80%
Fixed income securities	10%	33%	55%
Real estate	0%	5%	10%

Equity securities include domestic equity securities, developed international securities, emerging markets equity securities and real estate investment trust. Fixed income securities include domestic and international investment grade fixed income securities, high yield securities and emerging markets fixed income securities. Fixed income futures may also be utilized within the fixed income securities asset allocation.

The following information discloses the fair values of our Pension Plan assets by asset category:

	December 31, 2018 (in thousands)	
Cash and cash equivalents (a)	\$ 5,277	\$ 1,439
Commingled investment funds measured at net asset value (b):		
Equities - United States large-cap	21,862	26,031
Equities - United States small-cap	5,259	6,120
Equities - International developed markets	10,593	15,015
Equities - International emerging markets	4,808	6,528
Fixed income - Investment grade	15,777	13,546
Fixed income - High yield	4,508	4,325
Real estate	5,034	3,754
Other	2,705	5,223
Total	\$ 75,823	\$ 81,981

(a) Cash and cash equivalents represents a Level 1 fair value measurement. See Note 2 – Summary of Significant Accounting Policies – Fair Value Measurements for more information regarding the definitions of fair value

hierarchy levels.

- (b) Investments measured at fair value using the net asset value per share (or its equivalent) have not been classified within the fair value hierarchy. The fair values of all commingled investment funds are determined based on the net asset values per unit of each of the funds. The net asset values per unit represent the aggregate value of the fund's assets at fair value less liabilities, divided by the number of units outstanding.

See Note 2 – Summary of Significant Accounting Policies for more information on our accounting policy for pension benefits.

14.COMPENSATION PLANS

Long-Term Incentive Plan

We maintain the LTIP for certain employees and officers of MGP and its affiliates who perform services for us. The LTIP awards are grants of non-vested "phantom" or notional units, also referred to as "restricted units", which upon satisfaction of time and performance-based vesting requirements, entitle the LTIP participant to receive ARLP common units. Annual grant levels and vesting provisions for designated participants are recommended by the Chairman, President

108

Table of Contents

and CEO of MGP, subject to review and approval of the Compensation Committee. Vesting of all grants outstanding is subject to the satisfaction of certain financial tests, which management currently believes is probable. Grants issued to LTIP participants are expected to cliff vest on January 1st of the third year following issuance of the grants. We account for forfeitures of non-vested LTIP grants as they occur. We expect to settle the non-vested LTIP grants by delivery of ARLP common units, except for the portion of the grants that will satisfy employee tax withholding obligations of LTIP participants. As provided under the distribution equivalent rights ("DERs") provisions of the LTIP and the terms of the LTIP awards, all non-vested grants include contingent rights to receive quarterly distributions in cash or, at the discretion of the Compensation Committee, phantom units in lieu of cash credited to a bookkeeping account with value equal to the cash distributions we make to unitholders during the vesting period.

A summary of non-vested LTIP grants is as follows:

	Number of units	Weighted average grant date fair value per unit	Intrinsic value (in thousands)
Non-vested grants at January 1, 2016	939,793	\$ 36.80	\$ 12,678
Granted	960,992	12.38	
Vested (1)	(284,272)	31.51	
Forfeited	(11,765)	26.39	
Non-vested grants at December 31, 2016	1,604,748	23.19	36,027
Granted	475,310	23.17	
Vested (1)	(350,516)	40.73	
Forfeited	(35,516)	20.01	
Non-vested grants at December 31, 2017	1,694,026	19.62	33,372
Granted	511,305	20.40	
Vested (1)	(331,502)	34.61	
Forfeited	(45,749)	17.40	
Non-vested grants at December 31, 2018	1,828,080	17.18	31,699

- (1) During the years ended December 31, 2018, 2017 and 2016, we issued 191,858, 222,011 and 176,319, respectively, unrestricted common units to the LTIP participants. The remaining vested units were settled in cash primarily to satisfy tax withholding obligations of the LTIP participants.

For the years ended December 31, 2018, 2017 and 2016, our LTIP expense was \$10.8 million, \$11.0 million and \$12.7 million, respectively. The total obligation associated with the LTIP as of December 31, 2018 and 2017 was \$20.8 million and \$21.8 million, respectively, and is included in the partners' capital Limited partners-common unitholders line item in our consolidated balance sheets. As of December 31, 2018, there was \$10.6 million in total

unrecognized compensation expense related to the non-vested LTIP grants that are expected to vest. That expense is expected to be recognized over a weighted-average period of 0.8 years.

On January 23, 2019, the Compensation Committee determined that the vesting requirements for the 2016 grants of 885,381 restricted units (which was net of 75,611 forfeitures and previously settled units) had been satisfied as of January 1, 2019. As a result of this vesting, on February 8, 2019, we issued 596,650 unrestricted common units to the LTIP participants. The remaining units were settled in cash to satisfy tax withholding obligations of the LTIP participants. On January 23, 2019, the Compensation Committee also authorized additional grants of 601,644 restricted units, of which 586,644 units were granted.

After consideration of the January 1, 2019 vesting and subsequent issuance of 596,650 common units, approximately 1.9 million units remain available under the LTIP for issuance in the future, assuming all grants issued in 2019, 2018 and 2017 and currently outstanding are settled with common units, without reduction for tax withholding, no future forfeitures occur and DERs continue being paid in cash versus additional phantom units.

Table of Contents

Supplemental Executive Retirement Plan and Directors' Deferred Compensation Plan

We utilize the SERP to provide deferred compensation benefits for certain officers and key employees. All allocations made to participants under the SERP are made in the form of "phantom" ARLP units and SERP distributions will be settled in the form of ARLP common units. The SERP is administered by the Compensation Committee.

Our directors participate in the Directors' Deferred Compensation Plan. Pursuant to the Directors' Deferred Compensation Plan, for amounts deferred either automatically or at the election of the director, a notional account is established and credited with notional common units of ARLP, described in the Directors' Deferred Compensation Plan as "phantom" units. Distributions from the Directors' Deferred Compensation Plan will be settled in the form of ARLP common units.

For both the SERP and Directors' Deferred Compensation Plan, when quarterly cash distributions are made with respect to ARLP common units, an amount equal to such quarterly distribution is credited to each participant's notional account as additional phantom units. All grants of phantom units under the SERP and Directors' Deferred Compensation Plan vest immediately.

A summary of SERP and Directors' Deferred Compensation Plan activity is as follows:

	Number of units	Weighted average grant date fair value per unit	Intrinsic value (in thousands)
Phantom units outstanding as of January 1, 2016	429,141	\$ 32.25	\$ 5,789
Granted	74,799	16.31	
Issued	(9,922)	33.76	
Phantom units outstanding as of December 31, 2016	494,018	29.77	11,091
Granted	67,766	20.38	
Phantom units outstanding as of December 31, 2017	561,784	28.64	11,067
Granted	84,417	18.78	
Issued (1)	(10,364)	27.92	
Phantom units outstanding as of December 31, 2018	635,837	27.34	11,025

- (1) During the year ended December 31, 2018, we issued 7,181 ARLP common units to a participant under the SERP. Units issued to this participant were net of units settled in cash to satisfy tax withholding obligations.

Total SERP and Directors' Deferred Compensation Plan expense was \$1.6 million, \$1.4 million and \$1.2 million for the years ended December 31, 2018, 2017 and 2016, respectively. As of December 31, 2018 and 2017, the total obligation associated with the SERP and Directors' Deferred Compensation Plan was \$17.4 million and \$16.1 million, respectively, and is included in the partners' capital Limited partners-common unitholders line item in our consolidated balance sheets. On January 9, 2019, we provided 115,484 ARLP common units to a director under the Directors' Deferred Compensation Plan.

See Note 2 – Summary of Significant Accounting Policies for more information on our accounting policy for unit-based compensation.

Table of Contents

15.SUPPLEMENTAL CASH FLOW INFORMATION

	Year Ended December 31,		
	2018	2017	2016
	(in thousands)		
Cash Paid For:			
Interest	\$ 38,450	\$ 31,692	\$ 29,274
Income taxes	\$ 34	\$ 210	\$ 10
Non-Cash Activity:			
Accounts payable for purchase of property, plant and equipment	\$ 14,585	\$ 15,636	\$ 8,232
Assets acquired by capital lease	\$ 835	\$ —	\$ 37,089
Market value of common units issued under deferred compensation plans before tax withholding requirements	\$ 6,142	\$ 8,149	\$ 3,642

16.ASSET RETIREMENT OBLIGATIONS

The majority of our operations are governed by various state statutes and the Federal Surface Mining Control and Reclamation Act of 1977, which establish reclamation and mine closing standards. These regulations require, among other things, restoration of property in accordance with specified standards and an approved reclamation plan.

The following table presents the activity affecting the asset retirement and mine closing liability:

	Year Ended December 31,	
	2018	2017
	(in thousands)	
Beginning balance	\$ 130,600	\$ 125,701
Accretion expense	3,926	3,793
Payments	(2,392)	(1,046)
Allocation of liability associated with acquisitions, mine development and change in assumptions	4,980	2,152
Ending balance	\$ 137,114	\$ 130,600

For the year ended December 31, 2018, the allocation of liability associated with acquisition, mine development and change in assumptions was a net increase of \$5.0 million. This net increase was attributable to the expansion of refuse sites primarily at the Hamilton and Tunnel Ridge mines, partially offset by decreased cost estimates for water related treatment at the Mettiki mine and completion of certain reclamation obligations at the Hopkins County Coal mining complex.

For the year ended December 31, 2017, the allocation of liability associated with acquisition, mine development and change in assumptions was a net increase of \$2.2 million. This increase was attributable to the net impact of increased expansion of refuse sites primarily at the Hamilton and River View mines, offset in part by current estimates of the costs and scope of remaining reclamation work and reclamation work completed.

Table of Contents

The impact of discounting our estimated cash flows resulted in reducing the accrual for asset retirement obligations by \$100.3 million and \$114.0 million at December 31, 2018 and 2017, respectively. Estimated payments of asset retirement obligations as of December 31, 2018 are as follows:

Year Ended December 31,	(in thousands)
2019	\$ 9,459
2020	3,807
2021	3,279
2022	4,511
2023	2,684
Thereafter	213,675
Aggregate undiscounted asset retirement obligations	237,415
Effect of discounting	(100,301)
Total asset retirement obligations	137,114
Less: current portion	(9,459)
Asset retirement obligations	\$ 127,655

Federal and state laws require bonds to secure our obligations to reclaim lands used for mining and are typically renewable on a yearly basis. As of December 31, 2018 and 2017, we had approximately \$169.3 million and \$172.9 million, respectively, in surety bonds outstanding to secure the performance of our reclamation obligations.

See Note 2 – Summary of Significant Accounting Policies for more information on our accounting policy for asset retirement obligations.

17.ACCRUED WORKERS' COMPENSATION AND PNEUMOCONIOSIS BENEFITS

We provide income replacement and medical treatment for work-related traumatic injury claims as required by applicable state laws. Workers' compensation laws also compensate survivors of workers who suffer employment related deaths. Certain of our mine operating entities are liable under state statutes and the Federal Coal Mine Health and Safety Act of 1969, as amended, to pay benefits for black lung disease (or pneumoconiosis) to eligible employees and former employees and their dependents. Both pneumoconiosis and traumatic claims are covered through our self-insured programs.

The following is a reconciliation of the changes in workers' compensation liability (including current and long-term liability balances):

Explanation of Responses:

	December 31, 2018	2017
	(in thousands)	
Beginning balance	\$ 54,439	\$ 48,131
Accruals increase	7,654	17,066
Payments	(10,837)	(10,769)
Interest accretion	1,454	1,681
Valuation gain	(3,171)	(1,670)
Ending balance	\$ 49,539	\$ 54,439

The discount rate used to calculate the estimated present value of future obligations for workers' compensation was 3.89% and 3.22% at December 31, 2018 and 2017, respectively.

The 2018 valuation gain was primarily attributable to an increase in the discount rate used to calculate the estimated present value of future obligations as well as favorable changes in claims development. The 2017 valuation gain was primarily attributable to favorable changes in claims development partially offset by the decrease in the discount rate used to calculate the estimated present value of future obligations.

Table of Contents

As of December 31, 2018 and 2017, we had \$82.5 million and \$89.2 million, respectively, in surety bonds and letters of credit outstanding to secure workers' compensation obligations.

We limit our exposure to traumatic injury claims by purchasing a high deductible insurance policy that starts paying benefits after deductibles for the particular claim year have been met. Our workers' compensation liability above is presented on a gross basis and does not include our expected receivables on our insurance policy. Our receivables for traumatic injury claims under this policy as of December 31, 2018 and 2017 are \$8.1 million and \$9.0 million, respectively. Our receivables are included in Other long-term assets on our consolidated balance sheets.

The following is a reconciliation of the changes in pneumoconiosis benefit obligations:

	December 31, 2018 2017 (in thousands)	
Benefit obligations at beginning of year	\$ 74,859	\$ 64,988
Service cost	2,525	2,255
Interest cost	2,542	2,555
Actuarial (gain) loss	(4,599)	7,938
Benefits and expenses paid	(3,232)	(2,877)
Benefit obligations at end of year	\$ 72,095	\$ 74,859

The following is a reconciliation of the changes in the pneumoconiosis benefit obligation recognized in accumulated other comprehensive loss:

	Year Ended December 31, 2018 2017 2016 (in thousands)		
Net actuarial gain (loss)	\$ 4,599	\$ (7,938)	\$ (205)
Reversal of amortization item:			
Net actuarial (gain) loss	2	(2,092)	(2,643)
Total recognized in accumulated other comprehensive loss	\$ 4,601	\$ (10,030)	\$ (2,848)

The discount rate used to calculate the estimated present value of future obligations for pneumoconiosis benefits was 4.13%, 3.49% and 3.97% at December 31, 2018, 2017 and 2016, respectively.

	Year Ended December 31,		
	2018	2017	2016
	(in thousands)		
Amount recognized in accumulated other comprehensive loss consists of:			
Net actuarial loss (gain)	\$ 4,047	\$ 8,648	\$ (1,382)

The actuarial gain component of the change in benefit obligations in 2018 was primarily attributable to an increase in the discount rate used to calculate the estimated present value of the future obligations, a decrease in the assumed future medical benefit and expense levels, and demographic changes in the at-risk population. The actuarial loss component of the change in benefit obligations in 2017 was primarily attributable to the decrease in the discount rate used to calculate the estimated present value of the future obligations, an increase in the assumed future medical benefits, and closure of a state fund which historically shared indemnity costs on state pneumoconiosis claims.

Table of Contents

Summarized below is information about the amounts recognized in the accompanying consolidated balance sheets for pneumoconiosis and workers' compensation benefits:

	December 31,	
	2018	2017
	(in thousands)	
Workers' compensation claims	\$ 49,539	\$ 54,439
Pneumoconiosis benefit claims	72,095	74,859
Total obligations	121,634	129,298
Less current portion	(11,137)	(10,729)
Non-current obligations	\$ 110,497	\$ 118,569

Both the pneumoconiosis benefit and workers' compensation obligations were unfunded at December 31, 2018 and 2017.

The pneumoconiosis benefit and workers' compensation expense consists of the following components:

	Year Ended December 31,		
	2018	2017	2016
	(in thousands)		
Black lung benefits:			
Service cost	\$ 2,525	\$ 2,255	\$ 2,578
Interest cost (1)	2,542	2,555	2,506
Net amortization (1)	2	(2,092)	(2,643)
Total pneumoconiosis expense	5,069	2,718	2,441
Workers' compensation expense	11,270	12,215	9,063
Net periodic benefit cost	\$ 16,339	\$ 14,933	\$ 11,504

(1) Interest cost and net amortization is included in the Other expense line item within our consolidated statements of income (see Note 2 – Summary of Significant Accounting Policies).

See Note 2 – Summary of Significant Accounting Policies for more information on our accounting policy for workers' compensation and pneumoconiosis benefits.

18.RELATED-PARTY TRANSACTIONS

We have continuing related-party transactions with MGP and its affiliates. The Board of Directors and its Conflicts Committee review our related-party transactions that involve a potential conflict of interest between our general partner or its affiliates and ARLP or its subsidiaries or another partner to determine that such transactions are fair and reasonable to ARLP. As a result of these reviews, the Board of Directors and the Conflicts Committee approved each of the transactions described below that had such potential conflict of interest as fair and reasonable to ARLP.

114

Table of Contents

Affiliate Coal Lease Agreements

The following table summarizes advanced royalties outstanding and related payments and recoupments under our affiliate coal lease agreements:

	SGP	WKY CoalPlay		Henderson	WKY	
	Tunnel	Towhead Coal Henderson & Union Counties, KY	Webster Coal County, KY	Coal Henderson County, KY	CoalPlay Henderson & Union Counties, KY	Total
	Ridge Acquired	Acquired December 2014	Acquired December 2014	Acquired December 2014	Acquired February 2015	
	2005					
	(in thousands)					
As of January 1, 2016	\$ 5,413	\$ 3,598	\$ 2,526	\$ 2,522	\$ 2,131	\$ 16,190
Payments	3,000	3,598	2,568	2,522	2,131	13,819
Recoupment	(8,413)	(1)	(1,775)	—	—	(10,189)
As of December 31, 2016	—	7,195	3,319	5,044	4,262	19,820
Payments	6,000	3,598	2,568	2,522	2,131	16,819
Recoupment	(3,000)	(109)	(531)	—	(6)	(3,646)
As of December 31, 2017	3,000	10,684	5,356	7,566	6,387	32,993
Payments	—	3,597	2,570	2,520	2,131	10,818
Recoupment	(3,000)	(204)	(31)	—	(36)	(3,271)
Unrecoupable	—	—	(7,895)	—	—	(7,895)
As of December 31, 2018	\$ —	\$ 14,077	\$ —	\$ 10,086	\$ 8,482	\$ 32,645

SGP—In January 2005, we acquired Tunnel Ridge from ARH. In connection with this acquisition, we assumed a coal lease with SGP. Under the terms of the lease, Tunnel Ridge was required to pay SGP an annual minimum royalty of \$3.0 million. The lease expires the earlier of January 1, 2033 or upon the exhaustion of the mineable and merchantable leased coal. In December 2016, Tunnel Ridge had recouped all past annual advances and made the first earned royalty payment to SGP, which was nominal. Tunnel Ridge incurred \$6.0 million and \$7.2 million in earned royalties in 2018 and 2017, respectively. The property subject to this lease is now owned by the Joseph W. Craft III Foundation and the Kathleen S. Craft Foundation, an undivided one-half interest each. Beginning in January 2019, the annual minimum royalty and earned royalty payments will be made to these charitable foundations.

WKY CoalPlay—In February 2015, WKY CoalPlay entered into a coal lease agreement with Alliance Resource Properties regarding coal reserves located in Henderson and Union Counties, Kentucky. The lease has an initial term of 20 years and provides for earned royalty payments to WKY CoalPlay of 4.0% of the coal sales price and annual minimum royalty payments of \$2.1 million. All annual minimum royalty payments are recoupable from future earned

royalties. Alliance Resource Properties also was granted an option to acquire the leased reserves at any time during a three-year period beginning in February 2018 for a purchase price that would provide WKY CoalPlay a 7.0% internal rate of return on its investment in these reserves taking into account payments previously made under the lease (See Note 9 - Variable Interest Entities).

In December 2014, WKY CoalPlay's subsidiaries, Towhead Coal Reserves, LLC and Henderson Coal Reserves, LLC entered into coal lease agreements with Alliance Resource Properties. The leases have initial terms of 20 years and provide for earned royalty payments of 4.0% of the coal sales price to both and annual minimum royalty payments of \$3.6 million and \$2.5 million, respectively. All annual minimum royalty payments for each agreement are recoupable from future earned royalties related to their respective agreements. Each agreement grants Alliance Resource Properties an option to acquire the leased reserves at any time during a three-year period beginning in December 2017 for a purchase price that would provide WKY CoalPlay a 7.0% internal rate of return on its investment in the reserves taking into account payments previously made under the leases (See Note 9 – Variable Interest Entities).

In December 2014, WKY CoalPlay's subsidiary, Webster Coal Reserves, LLC entered into a coal lease agreement with Alliance Resource Properties. The lease has an initial term of 7 years and provides for earned royalty payments of 4.0% of the coal sales price and annual minimum payments of \$2.6 million. The agreement grants Alliance Resource Properties an option to acquire the leased reserves at any time during a three year period beginning in December 2017 for

Table of Contents

a purchase price that would provide WKY CoalPlay a 7.0% internal rate of return on its investment in the reserves taking into account payments previously made under the lease (See Note 9 – Variable Interest Entities). In the fourth quarter of 2018 it was determined that the balance of advanced royalties and any future payments will not be recouped as a result of the uncertain mine life at our Dotiki mine. See note 3 – Long-Lived Asset Impairments for more information.

SGP Land—In 2001, SGP Land, as successor in interest to an unaffiliated third party, entered into an amended mineral lease with MC Mining. Under the terms of the lease, MC Mining was required to pay an annual minimum royalty of \$0.3 million until \$6.0 million of cumulative annual minimum and/or earned royalty payments had been paid. The cumulative annual minimum lease requirement of \$6.0 million was met in 2015. MC Mining paid to SGP Land earned royalties of \$0.1 million for the year ended December 31, 2018 and \$0.6 million in each of the years ended December 31, 2017 and 2016. The property subject to this lease is now owned by the Joseph W. Craft III Foundation and the Kathleen S. Craft Foundation, an undivided one-half interest each. Beginning in January 2019, all earned royalty payments will be made to these charitable foundations.

Cavalier Minerals— As discussed in Note 9 – Variable Interest Entities, Alliance Minerals has a limited partnership interest in Cavalier which holds limited partner interests in AllDale I & II. See Note 10 - Investments for information on payments made and distributions received. On January 3, 2019, ARLP acquired the general partner interests and all of the limited partner interests not owned by Cavalier Minerals in AllDale I & II. As a result, ARLP will consolidate AllDale I & II in future periods. See Note 23 – Subsequent Events for further information.

Mineral Lending— See Note 6 - Long-Term Debt for discussion of the Cavalier Credit Agreement and Mineral Lending.

19.COMMITMENTS AND CONTINGENCIES

Commitments—We lease buildings and equipment under operating lease agreements that provide for the payment of both minimum and contingent rentals. We also have a noncancelable coal reserve lease as discussed in Note 18 – Related-Party Transactions and noncancelable leases with a third party for equipment under capital lease obligations. Future minimum lease payments are as follows:

Year Ending December 31,	Capital Lease (in thousands)	Other Operating Leases		
		Affiliate	Others	Total
2019	\$ 48,810	240	9,087	\$ 9,327

Explanation of Responses:

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2020	8,748	—	3,787	3,787
2021	913	—	2,236	2,236
2022	912	—	2,172	2,172
2023	140	—	1,995	1,995
Thereafter	553	—	14,865	14,865
Total future minimum lease payments	\$ 60,076	\$ 240	\$ 34,142	\$ 34,382
Less: amount representing interest	(2,759)			
Present value of future minimum lease payments	57,317			
Less: current portion	(46,722)			
Long-term capital lease obligation	\$ 10,595			

Rental expense (including rental expense incurred under operating lease agreements) was \$15.0 million, \$16.1 million and \$17.0 million for the years ended December 31, 2018, 2017 and 2016, respectively. In accordance with the adoption of ASU 2016-02 in 2019, we will record right-to-use assets and corresponding lease liabilities on our consolidated balance sheets for our operating leases. See Note 2 – Summary of Significant Accounting Policies for further information.

Contractual Commitments—In connection with planned capital projects, we have contractual commitments of approximately \$88.2 million at December 31, 2018. As of December 31, 2018, we had no commitments to purchase coal from external production sources in 2019.

Table of Contents

In February 2017, Alliance Minerals committed to invest \$30.0 million in AllDale III. As of December 31, 2018, Alliance Minerals had no remaining commitment to AllDale III. For more information on Alliance Minerals and AllDale III, see Note 10 – Investments.

On June 29, 2016, we entered into various sale-leaseback transactions for certain mining equipment and received \$33.9 million in proceeds. The lease agreements have terms ranging from three to four years with initial monthly rentals totaling \$0.7 million. Balloon payments equal to 20% of the equipment cost under lease are due at the end of each lease term. As a result of this transaction, we recognized a deferred loss of \$7.9 million which is being amortized over the life of the equipment. We have recognized this sales-leaseback transaction as a capital lease and included future payments within future minimum lease payments presented above.

General Litigation— On March 9, 2018, we finalized an agreement with a customer and certain of its affiliates to settle breach of contract litigation we initiated in January 2015. The agreement provided for a \$93.0 million cash payment to us, execution of a new coal supply agreement with the customer, continued export transloading capacity for our Appalachian mines and the acquisition of certain coal reserves for \$2.0 million from an affiliate of the customer. The \$93.0 million cash payment we received in March was the total compensation recorded in our consolidated statements of income for the agreement. We have paid or accrued in total, \$13.0 million of legal fees and associated incentive compensation costs related to this settlement which resulted in a net gain of \$80.0 million reflected in the Settlement gain line item in our consolidated statements of income.

Various lawsuits, claims and regulatory proceedings incidental to our business are pending against the ARLP Partnership. We record an accrual for a potential loss related to these matters when, in management's opinion, such loss is probable and reasonably estimable. Based on known facts and circumstances, we believe the ultimate outcome of these outstanding lawsuits, claims and regulatory proceedings will not have a material adverse effect on our financial condition, results of operations or liquidity. However, if the results of these matters were different from management's current opinion and in amounts greater than our accruals, then they could have a material adverse effect.

Other—Effective October 1, 2018, we renewed our annual property and casualty insurance program. Our property insurance was procured from our wholly owned captive insurance company, Wildcat Insurance. Wildcat Insurance charged certain of our subsidiaries for the premiums on this program and in return purchased reinsurance for the program in the standard market. The maximum limit in the commercial property program is \$100.0 million per occurrence, excluding a \$1.5 million deductible for property damage, a 60, 75, 90 or 120 day waiting period for underground business interruption depending on the mining complex and an additional \$10.0 million overall aggregate deductible. We can make no assurances that we will not experience significant insurance claims in the future that could have a material adverse effect on our business, financial condition, results of operations and ability to purchase property insurance in the future.

20.CONCENTRATION OF CREDIT RISK AND MAJOR CUSTOMERS

Explanation of Responses:

The international coal market has been a substantial part of our business with indirect sales to end users in Europe, Africa, Asia, North America and South America. Our sales into the international coal market are considered exports and are made through brokered transactions. During the years ended December 31, 2018, 2017 and 2016, export tons represented approximately 27.8%, 17.4% and 4.5% of tons sold, respectively.

We use the end usage point as the basis for attributing tons to individual countries. Because title to our export shipments typically transfers to our brokerage customers at a point that does not necessarily reflect the end usage point, we attribute export tons to the country with the end usage point, if known. No individual country was attributed greater than 10% of total domestic and export tons sold during the years ended December 31, 2018, 2017 and 2016.

Table of Contents

We have significant long-term coal supply agreements, some of which contain prospective price adjustment provisions designed to reflect changes in market conditions, labor and other production costs and, in the infrequent circumstance when the coal is sold other than free on board the mine, changes in transportation rates. Our major customers are defined as those customers from which we derive at least ten percent of our total revenues, including transportation revenues. Total revenues from major customers are as follows:

Segment		Year Ended December 31,		
		2018	2017	2016
		(in thousands)		
Customer A	Illinois Basin	\$ —	\$ —	\$ 253,465
Customer B	Illinois Basin	219,115	—	241,255
Customer C	Illinois Basin/Appalachia/Other and Corporate	—	—	265,642

Trade accounts receivable from Customer B totaled approximately \$12.8 million at December 31, 2018. Our bad debt experience has historically been insignificant. Financial conditions of our customers could result in a material change to our bad debt expense in future periods. The coal supply agreements with Customer B expire in 2020.

21.SEGMENT INFORMATION

We operate in the eastern United States as a producer and marketer of coal to major utilities and industrial users. We aggregate multiple operating segments into two reportable segments, Illinois Basin and Appalachia, and we have an "all other" category referred to as Other and Corporate. Our reportable segments correspond to major coal producing regions in the eastern United States. Similar economic characteristics for our operating segments within each of these two reportable segments generally include coal quality, geology, coal marketing opportunities, mining and transportation methods and regulatory issues.

The Illinois Basin reportable segment is comprised of multiple operating segments, including currently operating mining complexes (a) Webster County Coal's Dotiki mining complex, (b) Gibson County Coal's mining complex, which includes the Gibson North and Gibson South mines, (c) Warrior's mining complex, (d) River View's mining complex and (e) the Hamilton mining complex. The Gibson North mine had been idled since the fourth quarter of 2015 in response to market conditions but resumed production in May 2018.

The Illinois Basin reportable segment also includes White County Coal's Pattiki mining complex, Hopkins County Coal's mining complex, which includes the Elk Creek mine, the Pleasant View surface mineable reserves and the Fies underground project, Sebree's mining complex, which includes the Onton mine, Steamport and certain reserves, CR Services, CR Machine Shop, certain properties and equipment of Alliance Resource Properties, ARP Sebree, ARP

Sebree South and UC Coal and its subsidiaries, UC Mining and UC Processing. The Pattiki mine ceased production in December 2016. The Elk Creek mine depleted its reserves in March 2016 and ceased production on April 1, 2016.

The Appalachia reportable segment is comprised of multiple operating segments, including the Mettiki mining complex, the Tunnel Ridge mining complex, the MC Mining mining complex and the Penn Ridge property. The Mettiki mining complex includes Mettiki (WV)'s Mountain View mine and Mettiki (MD)'s preparation plant.

Other and Corporate includes marketing and administrative activities, ASI and its subsidiaries, Matrix Design and Alliance Design (collectively Matrix Design and Alliance Design are referred to as the "Matrix Group"), ASI's ownership of aircraft, our Mt. Vernon dock activities, Alliance Coal's coal brokerage activity, MAC, certain of Alliance Resource Properties' land and mineral interest activities, Pontiki's prior workers' compensation and pneumoconiosis liabilities, Wildcat Insurance, Alliance Minerals and Cavalier Minerals (see Note 9 – Variable Interest Entities), both of which hold equity investments in various AllDale Partnerships (see Note 10 – Investments), AROP Funding and Alliance Finance (both discussed in Note 6 – Long-Term Debt). On July 19, 2017, Alliance Minerals purchased \$100 million of Series A-1 Preferred Interests from Kodiak (see Note 10 – Investments).

Table of Contents

Reportable segment results are presented below.

	Illinois Basin (in thousands)	Appalachia	Other and Corporate	Elimination (1)	Consolidated
Year Ended December 31, 2018					
Revenues - Outside	\$ 1,273,874	643,898	85,085	—	\$ 2,002,857
Revenues - Intercompany	31,191	67	16,376	(47,634)	—
Total revenues (2)	1,305,065	643,965	101,461	(47,634)	2,002,857
Segment Adjusted EBITDA					
Expense (3)	790,072	398,243	62,564	(39,079)	1,211,800
Segment Adjusted EBITDA (4)	408,047	240,286	75,913	(8,555)	715,691
Total assets	1,371,579	440,518	759,654	(177,003)	2,394,748
Capital expenditures	165,709	64,037	3,734	—	233,480
Year Ended December 31, 2017					
Revenues - Outside	\$ 1,059,381	\$ 623,720	\$ 113,119	\$ —	\$ 1,796,220
Revenues - Intercompany	56,097	2,321	15,924	(74,342)	—
Total revenues (2)	1,115,478	626,041	129,043	(74,342)	1,796,220
Segment Adjusted EBITDA					
Expense (3)	688,468	385,802	83,490	(65,573)	1,092,187
Segment Adjusted EBITDA (4)	391,426	234,124	65,247	(8,769)	682,028
Total assets	1,429,078	470,892	506,437	(187,036)	2,219,371
Capital expenditures	94,252	48,358	2,478	—	145,088
Year Ended December 31, 2016					
Revenues - Outside	\$ 1,275,543	\$ 541,108	\$ 114,802	\$ —	\$ 1,931,453
Revenues - Intercompany	61,617	3,806	17,752	(83,175)	—
Total revenues (2)	1,337,160	544,914	132,554	(83,175)	1,931,453
Segment Adjusted EBITDA					
Expense (3)	761,644	346,712	89,594	(72,313)	1,125,637
Segment Adjusted EBITDA (4)	552,284	191,487	46,199	(10,862)	779,108
Total assets	1,460,924	480,745	404,153	(152,780)	2,193,042
Capital expenditures	52,505	36,213	2,338	—	91,056

(1) The elimination column represents the elimination of intercompany transactions and is primarily comprised of sales from the Matrix Group and MAC to our mining operations, coal sales and purchases between operations within different segments, sales of receivables to AROP Funding and insurance premiums paid to Wildcat Insurance.

- (2) Revenues included in the Other and Corporate column are primarily attributable to the Matrix Group revenues, Mt. Vernon transloading revenues, administrative service revenues from affiliates, MAC revenues, Wildcat Insurance revenues and brokerage coal sales.
- (3) Segment Adjusted EBITDA Expense includes operating expenses, coal purchases and other expense. Transportation expenses are excluded as these expenses are passed through to our customers and consequently we do not realize any gain or loss on transportation revenues. We review Segment Adjusted EBITDA Expense per ton for cost trends.

Table of Contents

The following is a reconciliation of consolidated Segment Adjusted EBITDA Expense to Operating expenses (excluding depreciation, depletion and amortization):

	Year Ended December 31,		
	2018	2017	2016
	(in thousands)		
Segment Adjusted EBITDA Expense	\$ 1,211,800	\$ 1,092,187	\$ 1,125,637
Outside coal purchases	(1,466)	—	(1,514)
Other expense	(2,621)	(332)	(1,445)
Operating expenses (excluding depreciation, depletion and amortization)	\$ 1,207,713	\$ 1,091,855	\$ 1,122,678

(4) Segment Adjusted EBITDA is defined as net income attributable to ARLP before net interest expense, income taxes, depreciation, depletion and amortization, general and administrative expense, settlement gain, debt extinguishment loss and asset impairment. Management therefore is able to focus solely on the evaluation of segment operating profitability as it relates to our revenues and operating expenses, which are primarily controlled by our segments. Consolidated Segment Adjusted EBITDA is reconciled to net income attributable to ARLP as follows:

	Year Ended December 31,		
	2018	2017	2016
	(in thousands)		
Consolidated Segment Adjusted EBITDA	\$ 715,691	\$ 682,028	\$ 779,108
General and administrative	(68,298)	(61,760)	(72,529)
Depreciation, depletion and amortization	(280,225)	(268,981)	(336,509)
Settlement gain	80,000	—	—
Asset impairment	(40,483)	—	—
Interest expense, net	(40,059)	(39,291)	(30,659)
Debt extinguishment loss	—	(8,148)	—
Income tax expense	(22)	(210)	(13)
Net income attributable to ARLP	\$ 366,604	\$ 303,638	\$ 339,398

22.SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

A summary of our consolidated quarterly operating results is as follows:

Quarter Ended				
March 31,	June 30,	September 30,	December 31,	

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	2018 (1)	2018	2018	2018 (2)
	(in thousands, except unit and per unit data)			
Revenues	\$ 457,122	\$ 516,137	\$ 497,758	\$ 531,840
Income from operations	160,226	88,160	74,625	49,276
Income before income taxes	156,046	86,380	73,974	51,092
Net income of ARLP	155,908	86,190	73,733	50,773
Basic and diluted net income of ARLP per limited partner unit	\$ 1.16	\$ 0.64	\$ 0.55	\$ 0.38
Weighted-average number of units outstanding – basic and diluted (3)	130,819,217	131,279,910	131,169,538	129,771,010

120

Table of Contents

	Quarter Ended			
	March 31, 2017	June 30, 2017 (4)	September 30, 2017	December 31, 2017
	(in thousands, except unit and per unit data)			
Revenues	\$ 461,080	\$ 398,720	\$ 453,189	\$ 483,231
Income from operations	108,297	79,524	65,716	78,387
Income before income taxes	105,038	63,356	61,431	74,586
Net income of ARLP	104,902	63,230	61,271	74,235
Basic and diluted net income of ARLP per limited partner unit	\$ 1.10	\$ 0.82	\$ 0.52	\$ 0.55
Weighted-average number of units outstanding – basic and diluted (3)	74,503,298	74,597,036	114,237,979	130,704,217

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- (1) Our March 31, 2018 quarterly results were affected by a settlement gain of \$80.0 million reflecting cash payment received from the settlement of litigation, net of certain costs associated with the gain (Note 19 – Commitments and Contingencies).
- (2) Our December 31, 2018 quarterly results were affected by \$40.5 million of non-cash impairment charges comprised of a \$34.3 million impairment related to the reduction of the economic mine life at our Dotiki mine and a \$6.2 million impairment as a result of a decrease in the fair value of an option entitling us to lease certain coal reserves in Illinois (Note 3 – Long-Lived Asset Impairments).
- (3) Weighted-average number of units outstanding – basic and diluted were impacted by the Exchange Transaction in July 2017 and the Simplification Transactions in May 2018 (Note 1 – Organization and Presentation – Partnership Simplification). They were also impacted by our unit buy-back program discussed in Note 8 – Partners' Capital.
- (4) Our June 30, 2017 quarterly results were affected by a debt extinguishment loss of \$8.1 million related to early repayment of our Series B Senior Notes in May 2017 (Note 6 – Long-Term Debt).

23.SUBSEQUENT EVENTS

Other than those events described below and in Notes 6, 8 and 14, there were no subsequent events.

AllDale I & II Acquisition

On January 3, 2019 (the "Acquisition Date"), ARLP acquired the general partner interests and all of the limited partner interests not owned by Cavalier Minerals in AllDale I & II for \$176.0 million, which was funded with cash on hand and borrowings under the Revolving Credit Facility (the "Acquisition"). As a result of the Acquisition and our previous equity method investment held through Cavalier Minerals, ARLP now owns 100% of the general partner interests and approximately 97% of the limited partner interests in AllDale I & II. AllDale I & II control approximately 43,000 net royalty acres strategically positioned in the core of the Anadarko (SCOOP/STACK),

Permian (Delaware and Midland), Williston (Bakken) and Appalachian basins. The Acquisition provides ARLP with diversified exposure to industry leading operators and is consistent with our general business strategy to pursue accretive acquisitions.

Because the underlying mineral interests held by AllDale I & II include royalty interests in producing properties, we have determined that the Acquisition should be accounted for as a business combination and the underlying assets and liabilities of AllDale I & II should be recorded at their Acquisition Date fair value in the Partnership's consolidated balance sheet.

We are in the process of performing our valuation of our previously held equity method investment and the acquired assets and liabilities. Given the recent date of the acquisition, we have not finalized our determination of the fair value of the various measurements as we continue to gather information to determine the assumptions we intend to use in our valuations. However, we currently anticipate recording a significant gain in the first quarter of 2019.

Prior to the Acquisition Date, we accounted for our investment in AllDale I & II, held through Cavalier Minerals, as an equity method investment. We anticipate re-measuring our equity method investment immediately prior to the Acquisition using a discounted cash flow model. The assumptions to be used in the determination of the fair value

Table of Contents

measurement include estimated production, projected cash flows, forward oil & gas prices and a risk adjusted discount rate, among others.

We anticipate determining the fair value of the mineral interests by determining an entity-wide value using discounted expected cash flows based on estimated production, projected cash flows, forward oil & gas prices and a risk adjusted discount rate. We anticipate using the carrying value for any acquired receivables, payables and cash, as this represents their fair value given their short-term nature.

As discussed in Note 9 – Variable Interest Entities, our previous equity method investment was held through Cavalier Minerals in which Bluegrass Minerals holds a 4% limited member interest (the "Bluegrass interest"). This Bluegrass interest represents a noncontrolling interest in AllDale I & II. We anticipate determining the fair value of this noncontrolling interest using a discounted cash flow model. The assumptions to be used in the determination of the fair value measurement include estimated production, projected cash flows, forward oil & gas prices and a risk-adjusted discount rate, among others.

Change in Reportable Segments

After the Acquisition, ARLP holds a controlling financial interest in AllDale I & II and consolidate their assets and liabilities. This new control over the mineral interests reflects a strategic change in our business and how our operations are managed and allocated resources by our chief operating decision maker. Due to this strategic change we anticipate restructuring our reportable segments in 2019 to include the oil & gas mineral interests and our equity-method investment in AllDale III in a new Royalty reportable segment.

Kodiak Redemption

On January 26, 2019, Kodiak notified us of its intent to redeem our preferred interest for \$135.0 million cash. On February 8, 2019, we received the cash proceeds resulting in an \$11.5 million gain due to an early redemption premium.

Table of Contents

SCHEDULE II

ALLIANCE RESOURCE PARTNERS, L.P. AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS

YEARS ENDED DECEMBER 31, 2018, 2017 AND 2016

	Balance At Beginning of Year (in thousands)		Additions Charged to Income		Deductions		Balance At End of Year
2018							
Allowance for doubtful accounts	\$	—	\$	—	\$	—	\$ —
2017							
Allowance for doubtful accounts	\$	—	\$	—	\$	—	\$ —
2016							
Allowance for doubtful accounts	\$	—	\$	—	\$	—	\$ —

Table of Contents

ITEM 9.CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANT ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A.CONTROLS AND PROCEDURES

Disclosure Controls and Procedures. We maintain controls and procedures designed to provide reasonable assurance that information required to be disclosed in the reports we file with the SEC is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosures. As required by Rule 13a-15(b) of the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) of the Exchange Act) as of December 31, 2018. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that these controls and procedures are effective as of December 31, 2018.

Our management, including the Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls or our internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the ARLP Partnership have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that simple errors or mistakes can occur. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. We monitor our disclosure controls and internal controls and make modifications as necessary; our intent in this regard is that the disclosure controls and the internal controls will be maintained as systems change and conditions warrant.

Management's Annual Report on Internal Control over Financial Reporting. Management of the ARLP Partnership is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) under the Exchange Act. The ARLP Partnership's internal control over financial reporting is designed

to provide reasonable assurance to our management and Board of Directors of our general partner regarding the preparation and fair presentation of published financial statements. Our controls are designed to provide reasonable assurance that the ARLP Partnership's assets are protected from unauthorized use and that transactions are executed in accordance with established authorizations and properly recorded. The internal controls are supported by written policies and are complemented by a staff of competent business process owners and an internal auditor supported by competent and qualified external resources used to assist in testing the operating effectiveness of the ARLP Partnership's internal control over financial reporting. Management concluded that the design and operations of our internal controls over financial reporting at December 31, 2018 are effective and provide reasonable assurance the books and records accurately reflect the transactions of the ARLP Partnership.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2018. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control—Integrated Framework (2013). Based on its assessment, management concluded that, as of December 31, 2018, the ARLP Partnership's internal control over financial reporting

Table of Contents

was effective based on those criteria, and management believes that we have no material internal control weaknesses in our financial reporting process.

Ernst & Young LLP, an independent registered public accounting firm, has made an independent assessment of the effectiveness of our internal control over financial reporting as of December 31, 2018, as stated in their report that is included herein.

Changes in Internal Controls Over Financial Reporting. There has been no change in our internal controls over financial reporting (as defined in Rule 13a-15(f) or Rule 15d-15(f) of the Exchange Act) in the three months ended December 31, 2018 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

125

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors of Alliance Resource Management GP, LLC

and the Partners of Alliance Resource Partners, L.P.

Opinion on Internal Controls over Financial Reporting

We have audited Alliance Resource Partners, L.P. and subsidiaries' internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Alliance Resource Partners, L.P. and subsidiaries (the Partnership) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Partnership as of December 31, 2018 and 2017, and the related consolidated statements of income, comprehensive income, cash flows, and partners' capital for each of the three years in the period ended December 31, 2018, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) and our report dated February 22, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

The Partnership's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that

our audit provides a reasonable basis for our opinion.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ Ernst & Young LLP

Tulsa, Oklahoma

February 22, 2019

Table of Contents

ITEM 9B.OTHER INFORMATION

None.

127

Table of Contents

PART III

ITEM 10.DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE OF THE GENERAL PARTNER

As is commonly the case with publicly traded limited partnerships, we are managed and operated by our general partner. The following table shows information for executive officers and members of the Board of Directors as of the date of the filing of this Annual Report on Form 10-K. Executive officers and directors are elected until death, resignation, retirement, disqualification, or removal.

Imothy Name	Age	Position With Our General Partner
Joseph W. Craft III**	68	Chairman, President and Chief Executive Officer
Brian L. Cantrell	59	Senior Vice President and Chief Financial Officer
R. Eberley Davis	61	Senior Vice President, General Counsel and Secretary
Robert J. Fouch	61	Vice President, Controller and Chief Accounting Officer
Robert G. Sachse	70	Executive Vice President
Charles R. Wesley	64	Executive Vice President and Director
Timothy J. Whelan	56	Senior Vice President - Sales and Marketing of Alliance Coal, LLC
Thomas M. Wynne	62	Senior Vice President and Chief Operating Officer
Nick Carter	72	Director and Member of Audit, Compensation and Conflicts Committees
Robert J. Druten**	71	Director and Member of Audit, Compensation and Conflicts* Committees
John H. Robinson	68	Director and Member of Audit, Compensation* and Conflicts Committees
Wilson M. Torrence	77	Director and Member of Audit* and Compensation Committees

* Indicates Chairman of Committee.

** Effective January 1, 2019 John P. Neafsey, former Chairman of the Board of Directors, retired, and Mr. Druten was elected to the Board of Directors, and Mr. Craft was elected Chairman of the Board of Directors.

Joseph W. Craft III has been President, Chief Executive Officer and a Director since August 1999, Chairman of the Board of Directors since January 1, 2019, and indirectly owns our general partner. Previously Mr. Craft served as President of MAPCO Coal Inc. since 1986. During that period, he also was Senior Vice President of MAPCO Inc. and had previously been that company's General Counsel and Chief Financial Officer. He is a former Chairman and current Board member of the National Coal Council, a Board Member of the National Mining Association, and a Director and past Chairman of American Coalition for Clean Coal Electricity ("ACCCE"). Mr. Craft is a Director and immediate past Chairman of the Kentucky Chamber of Commerce and a Director and Executive Committee member of the United States Chamber of Commerce. He has been a Director of BOK Financial Corporation (NASDAQ: BOKF) since 2007 and chairman of its compensation committee since 2014. Mr. Craft holds a Bachelor of Science degree in Accounting and a Juris Doctorate degree from the University of Kentucky. Mr. Craft also is a graduate of the Senior Executive Program of the Alfred P. Sloan School of Management at Massachusetts Institute of Technology. The specific experience, qualifications, attributes or skills that led to the conclusion Mr. Craft should serve as a Director include his long history of significant involvement in the coal industry, his demonstrated business acumen and his exceptional leadership of the Partnership since its inception.

Brian L. Cantrell has been Senior Vice President and Chief Financial Officer since October 2003. Prior to his current position, Mr. Cantrell was President of AFN Communications, LLC from November 2001 to October 2003 where he had previously served as Executive Vice President and Chief Financial Officer after joining AFN in September 2000. Mr. Cantrell's previous positions include Chief Financial Officer, Treasurer and Director with Brighton Energy, LLC from

Table of Contents

August 1997 to September 2000; Vice President—Finance of KCS Medallion Resources, Inc.; and Vice President—Finance, Secretary and Treasurer of Intercoast Oil and Gas Company. Mr. Cantrell is a Certified Public Accountant and holds Master of Accountancy and Bachelor of Accountancy degrees from the University of Oklahoma.

R. Eberley Davis has been Senior Vice President, General Counsel and Secretary since February 2007. From 2003 to February 2007, Mr. Davis practiced law in the Lexington, Kentucky office of Stoll Keenon Ogden PLLC. Prior to joining Stoll Keenon Ogden, Mr. Davis was Vice President, General Counsel and Secretary of Massey Energy Company for one year. Mr. Davis also served in various positions, including Vice President and General Counsel, for Lodestar Energy, Inc. from 1993 to 2002. Mr. Davis is an alumnus of the University of Kentucky, where he received a Bachelor of Arts degree in Economics and his Juris Doctorate degree. He also holds a Master of Business Administration degree from the University of Kentucky. Mr. Davis is a Trustee of the Energy and Mineral Law Foundation, and a member of the Kentucky Bar Association.

Robert J. Fouch became Chief Accounting Officer in February 2019. Since August 2006, Mr. Fouch has served as Vice President and Controller. Prior to his current position, from 1999 to 2006, Mr. Fouch served as Assistant Controller. Mr. Fouch joined Alliance's predecessor, MAPCO Inc. in 1981 and held a variety of accounting positions of increasing responsibility. He worked for the audit firm of Deloitte, Haskins and Sells prior to joining MAPCO. He is a Certified Public Accountant and holds a Bachelor of Science degree in Accounting from Oral Roberts University.

Robert G. Sachse has been Executive Vice President since August 2000. Effective November 1, 2006, Mr. Sachse assumed responsibility for our coal marketing, sales and transportation functions. Mr. Sachse was also Vice Chairman of our general partner from August 2000 to January 2007. Mr. Sachse was Executive Vice President and Chief Operating Officer of MAPCO Inc. from 1996 to 1998 when MAPCO merged with The Williams Companies. Following the merger, Mr. Sachse had a two year non-compete consulting agreement with The Williams Companies. Mr. Sachse held various positions while with MAPCO Coal Inc. from 1982 to 1991, and was promoted to President of MAPCO Natural Gas Liquids in 1992. Mr. Sachse holds a Bachelor of Science degree in Business Administration from Trinity University and a Juris Doctorate degree from the University of Tulsa.

Charles R. Wesley has been a Director since January 2009 and Executive Vice President since March 2009. Mr. Wesley has served in a variety of capacities since joining the company in 1974, including as Senior Vice President—Operations from August 1996 through February 2009. Mr. Wesley is a former Chairman of the Board of Directors of the Kentucky Coal Association and also has served the industry as past President of the West Kentucky Mining Institute and National Mine Rescue Association Post 11, and as a director of the Kentucky Mining Institute. Mr. Wesley holds a Bachelor of Science degree in Mining Engineering from the University of Kentucky. The specific experience, qualifications, attributes or skills that led to the conclusion Mr. Wesley should serve as a Director include his long history of significant involvement in the coal industry, his successful leadership of the Partnership's operations, and his knowledge and technical expertise in all aspects of producing and marketing coal.

Timothy J. Whelan has been Senior Vice President - Sales and Marketing of Alliance Coal, LLC since May 2013. Since joining Alliance in September 2003, Mr. Whelan has held several positions with increasing responsibility, serving as Vice President – Sales prior to his current position. Mr. Whelan previously served in various business development positions for MAPCO Inc. and as Director, Power & Gas Origination for Williams Energy Marketing and Trading. Mr. Whelan has over 30 years of energy industry experience, and is a former board member of the American Coal Council and The Coal Institute. Mr. Whelan holds a Bachelor of Science degree in Finance from the University of Arkansas.

Thomas M. Wynne has been Senior Vice President and Chief Operating Officer since March 2009. Mr. Wynne joined the company in 1981 as a mining engineer and has held a variety of positions with the company prior to his appointment in July 1998 as Vice President—Operations. Mr. Wynne has served the coal industry on the National Executive Committee for National Mine Rescue and previously as a member of the Coal Safety Committee for the National Mining Association. In addition, Mr. Wynne has served as Chairman of the Kentucky Coal Association for the past two years. Mr. Wynne holds a Bachelor of Science degree in Mining Engineering from the University of Pittsburgh and a Master of Business Administration degree from West Virginia University.

Nick Carter became a Director in April 2015. Mr. Carter is a member of the Audit, Compensation and Conflicts Committees. Mr. Carter retired as President and Chief Operating Officer of Natural Resource Partners L.P. (NYSE: NRP) on September 1, 2014, having served in such capacities since 2002 and in other roles for NRP or its affiliates since 1990. Prior to 1990, Mr. Carter held various positions with MAPCO Coal Corporation and was engaged in the private practice

Table of Contents

of law. Mr. Carter also serves on the board of directors, the audit committee and as chairman of the compensation committee of Community Trust Bancorp, Inc. (NASDAQ: CTBI). Mr. Carter previously served as chairman of the National Council of Coal Lessors for 12 years and as chairman of the West Virginia Chamber of Commerce. He also previously served as a board member of the West Virginia Coal Association, the Indiana Coal Council, the National Mining Association, and ACCCE. Mr. Carter has served as a board member of the Kentucky Coal Association for over 20 years and currently is its Treasurer. Mr. Carter holds Bachelor and Juris Doctorate degrees from the University of Kentucky and a Master of Business Administration degree from the University of Hawaii. The specific experience, qualifications, attributes or skills that led to the conclusion Mr. Carter should serve as a Director include his extensive experience in the coal and energy industries and in senior corporate leadership.

Robert J. Druten became a Director effective January 1, 2019. Mr. Druten is Chairman of the Conflicts Committee and is a member of the Audit and Compensation Committees. From January 2007 through 2018, Mr. Druten was a member of the board of directors of Alliance GP, LLC, the former general partner of AHGP. From September 1994 until his retirement in August 2006, Mr. Druten served as Executive Vice President and Chief Financial Officer of Hallmark Cards, Inc. Mr. Druten holds a Bachelor of Science degree in Accounting from the University of Kansas as well as a Masters of Business Administration from Rockhurst University. Mr. Druten currently serves as Chairman of the Board of Directors of Kansas City Southern Industries, Inc. (NYSE: KSU), a transportation and financial services company, and is Chairman of its executive committee, and is a member of its compensation committee and nominating and governance committees. Mr. Druten is also a Trustee and Chairman of the Board of Entertainment Properties Trust (NYSE: EPR), a real estate investment trust focused on the acquisition of movie theatre complexes and other entertainment related properties, and is a member of its audit, compensation, finance and governance committees. Mr. Druten previously served as a director of American Italian Pasta, from 2007 until it was acquired by Ralcorp Holdings in July, 2010, where he was the Chair of the Audit Committee and also served on the Compensation Committee. The specific experience, qualifications, attributes or skills that led to the conclusion Mr. Druten should serve as Director are demonstrated by his lengthy and distinguished service as Chief Financial Officer of Hallmark, including direct oversight of a public company subsidiary, and his extensive experience serving as a director of public companies in multiple industries.

John H. Robinson became a Director in December 1999. Mr. Robinson is Chairman of the Compensation Committee and a member of the Audit and Conflicts Committees. Mr. Robinson is Chairman of Hamilton Ventures, LLC. From 2003 to 2004, he was Chairman of EPC Global, Ltd., an engineering staffing company. From 2000 to 2002, he was Executive Director of Amey plc, a British business process outsourcing company. Mr. Robinson served as Vice Chairman of Black & Veatch, Inc. from 1998 to 2000. He began his career at Black & Veatch in 1973 and was a General Partner and Managing Partner prior to becoming Vice Chairman when the firm incorporated. Mr. Robinson is a Director of Coeur Mining Corporation and a member of its executive and audit committees and chairman of its compensation committee, and he is a Director of the Federal Home Loan Bank of Des Moines, also serving on its mission, member and housing committee and its business operations and technology committee. Mr. Robinson is also a Director of Olsson Associates. He holds Bachelor and Master of Science degrees in Engineering from the University of Kansas and is a graduate of the Owner-President-Management Program at the Harvard Business School. The specific experience, qualifications, attributes or skills that led to the conclusion Mr. Robinson should serve as a Director include his significant experience in the engineering and consulting industries, his extensive service in senior corporate leadership positions in both industries and his familiarity with financial matters.

Wilson M. Torrence became a Director in January 2007. Mr. Torrence is Chairman of the Audit Committee and a member of the Compensation Committee. From April 2015 through June 2018, Mr. Torrence was also a member of the board of directors of Alliance GP, LLC, the former general partner of AHGP, and chairman of its audit committee. Mr. Torrence retired from Fluor Corporation in 2006 as a Senior Vice President of Project Development and Investments and since that time has performed investment and business consulting services for various clients. Mr. Torrence was employed at Fluor from 1989 to 2006 where, among other roles, he was responsible for the global Project Investment and Structured Finance Group and served as Chairman of Fluor's Investment Committee. In that position, Mr. Torrence had executive responsibility for Fluor's global activities in developing and arranging third-party financing for some of Fluor's clients' construction projects. Prior to joining Fluor in 1989, Mr. Torrence was President and Chief Executive Officer of Combustion Engineering Corporation's Waste to Energy Division and, during that time, also served as Chairman of the Institute of Resource Recovery, a Washington-based industry advocacy organization. Mr. Torrence began his career at Mobil Oil Corporation, where he held several executive positions, including Assistant Treasurer of Mobil's International Marketing and Refining Division and Chief Financial and Planning Officer of Mobil Land Development Company. Mr. Torrence holds a Bachelor and a Master of Business Administration degree from Virginia Tech University. The specific experience, qualifications, attributes or skills that led to the conclusion Mr. Torrence should serve as a Director

Table of Contents

include his extensive experience in the construction and energy businesses, his senior corporate finance-related and other leadership positions and his participation in numerous financing transactions.

Board of Directors

Mr. Neafsey served as Chairman of the Board of Directors from ARLP's inception through 2018. Upon Mr. Neafsey's retirement from the Board of Directors effective January 1, 2019, Mr. Craft, who has been President and Chief Executive Officer and a member of the Board of Directors since ARLP's inception, assumed the Chairman role. We believe this change in the leadership structure of the Board of Directors is appropriate for the Partnership given Mr. Craft's extensive knowledge of our industry, significant ownership position and proven leadership of the Partnership.

The Board of Directors generally administers its risk oversight function through the board as a whole. The Chairman, President and CEO, who reports to the Board of Directors, and the other executives named above, who report to the Chairman, President and CEO, have day-to-day risk management responsibilities. At the Board of Director's request, each of these executives attends the meetings of the Board of Directors, where the Board of Directors routinely receives reports on our financial results, the status of our operations and our safety performance, and other aspects of implementation of our business strategy, with ample opportunity for specific inquiries of management. In addition, management provides periodic reports of the Partnership's financial and operational performance to each member of the Board of Directors. The Audit Committee provides additional risk oversight through its quarterly meetings, where it receives a report from the Partnership's internal auditor, who reports directly to the Audit Committee, and reviews the Partnership's contingencies, significant transactions and subsequent events, among other matters, with management and our independent auditors.

The Board of Directors has selected as director nominees individuals with experience, skills and qualifications relevant to the business of the Partnership, such as experience in energy or related industries or with financial markets, expertise in mining, engineering or finance, and a history of service in senior leadership positions. The Board of Directors has not established a formal process for identifying director nominees, nor does it have a formal policy regarding consideration of diversity in identifying director nominees, but has endeavored to assemble a diverse group of individuals with the qualities and attributes required to provide effective oversight of the Partnership.

Audit Committee

The Audit Committee comprises all four non-employee members of the Board of Directors (Messrs. Carter, Druten, Robinson and Torrence). After reviewing the qualifications of the current members of the Audit Committee, and any relationships they may have with us that might affect their independence, the Board of Directors has determined that all current Audit Committee members are "independent" as that concept is defined in Section 10A of the Exchange Act, all current Audit Committee members are "independent" as that concept is defined in the applicable rules of

NASDAQ Stock Market, LLC, all current Audit Committee members are financially literate, and Mr. Torrence qualifies as an "audit committee financial expert" under the applicable rules promulgated pursuant to the Exchange Act.

Report of the Audit Committee

The Audit Committee oversees our financial reporting process on behalf of the Board of Directors. Management has primary responsibility for the financial statements and the reporting process including the systems of internal controls. The Audit Committee has responsibility for the appointment, compensation and oversight of the work of our independent registered public accounting firm and assists the Board of Directors by conducting its own review of our:

- filings with the SEC pursuant to the Securities Act of 1933 (the "Securities Act") and the Exchange Act (i.e., Forms 10-K, 10-Q, and 8-K);
- press releases and other communications by us to the public concerning earnings, financial condition and results of operations, including changes in distribution policies or practices affecting the holders of our units, if such review is not undertaken by the Board of Directors;
- systems of internal controls regarding finance and accounting that management and the Board of Directors have established; and
- auditing, accounting and financial reporting processes generally.

Table of Contents

In fulfilling its oversight and other responsibilities, the Audit Committee met eight times during 2018. The Audit Committee's activities included, but were not limited to: (a) selecting the independent registered public accounting firm, (b) meeting periodically in executive session with the independent registered public accounting firm, (c) reviewing the Quarterly Reports on Form 10-Q for the three months ended March 31, June 30, and September 30, 2018, (d) performing a self-assessment of the committee, (e) reviewing the Audit Committee charter, and (f) reviewing the overall scope, plans and findings of our internal auditor. Based on the results of the annual self-assessment, the Audit Committee believes that it satisfied the requirements of its charter. The Audit Committee also reviewed and discussed with management and the independent registered public accounting firm this Annual Report on Form 10-K, including the audited financial statements.

Our independent registered public accounting firm, Ernst & Young LLP ("EY"), is responsible for expressing an opinion on the conformity of the audited financial statements with GAAP. The Audit Committee reviewed with EY its judgment as to the quality, not just the acceptability, of our accounting principles and such other matters as are required to be discussed with the Audit Committee pursuant to auditing standards adopted by the Public Company Accounting Oversight Board ("PCAOB").

The Audit Committee received written disclosures and the letter from EY required by applicable requirements of the PCAOB Rule 3526, "Communication with Audit Committees Concerning Independence," and has discussed with EY its independence from management and the ARLP Partnership.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2018 for filing with the SEC.

Members of the Audit Committee:

Wilson M. Torrence, Chairman

Nick Carter

Robert J. Druten

John H. Robinson

Code of Ethics

Explanation of Responses:

We have adopted a code of ethics with which the Chairman, President and CEO and the senior financial officers (including the principal financial officer and the principal accounting officer) are expected to comply. The code of ethics is publicly available on our website under "Investor Relations" at www.arlp.com and is available in print without charge to any unitholder who requests it. Such requests should be directed to Investor Relations at (918) 295-7674. If any substantive amendments are made to the code of ethics or if there is a grant of a waiver, including any implicit waiver, from a provision of the code to the President and Chief Executive Officer, Chief Financial Officer, or Controller, we will disclose the nature of such amendment or waiver on our website or in a report on Form 8-K.

Communications with the Board

Unitholders or other interested parties can contact any director or committee of the Board of Directors by writing to them c/o Senior Vice President, General Counsel and Secretary, P.O. Box 22027, Tulsa, Oklahoma 74121-2027. Comments or complaints relating to our accounting, internal accounting controls or auditing matters will also be referred to members of the Audit Committee. The Audit Committee has procedures for (a) receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls, or auditing matters and (b) the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act, as amended, requires directors, executive officers and persons who beneficially own more than ten percent of a registered class of our equity securities to file with the SEC initial reports of ownership and reports or changes in ownership of such equity securities. Such persons are also required to furnish us with copies of all Section 16(a) forms they file. Based upon a review of the copies of the forms furnished to us and written representations

Table of Contents

from certain reporting persons, we believe that during 2018 none of our directors or executive officers or persons who beneficially owned more than ten percent of a registered class of our equity securities were delinquent with respect to any of the filing requirements under Section 16(a).

Reimbursement of Expenses of our General Partner and its Affiliates

Our general partner does not receive any management fee or other compensation in connection with its management of us. Our general partner is reimbursed by us for all expenses incurred on our behalf. Please see "Item 13. Certain Relationships and Related Transactions, and Director Independence—Administrative Services."

ITEM 11.EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

The Compensation Committee oversees the compensation of our general partner's executive officers, including the Chairman, President and CEO, our principal executive officer, the Senior Vice President and Chief Financial Officer, our principal financial officer, and the three most highly compensated executive officers in 2018, each of whom is named in the Summary Compensation Table (collectively, our "Named Executive Officers"). Our Named Executive Officers are employees of our operating subsidiary, Alliance Coal. We do not have employment agreements with any of our Named Executive Officers.

Compensation Objectives and Philosophy

The compensation of our Named Executive Officers is designed to achieve two key objectives: (i) provide a competitive compensation opportunity to allow us to recruit and retain key management talent, and (ii) motivate and reward the executive officers for creating sustainable, capital-efficient growth in available cash to maximize our distributions to our unitholders. In making decisions regarding executive compensation, the Compensation Committee reviews current compensation levels of other companies in the coal industry and other peers, considers the Chairman, President and CEO's assessment of each of the other executives, and uses its discretion to determine an appropriate total compensation package of base salary and short-term and long-term incentives. The Compensation Committee intends for each executive officer's total compensation to be competitive in the marketplace and to

Explanation of Responses:

effectively motivate the officer. Based upon its review of our overall executive compensation program, the Compensation Committee believes the program is appropriately applied to our general partner's executive officers and is necessary to attract and retain the executive officers who are essential to our continued development and success, to compensate those executive officers for their contributions and to enhance unitholder value. Moreover, the Compensation Committee believes the total compensation opportunities provided to our general partner's executive officers create alignment with our long-term interests and those of our unitholders. As a result, we do not maintain unit ownership requirements for our Named Executive Officers.

Setting Executive Compensation

Role of the Compensation Committee

The Compensation Committee discharges the Board of Directors' responsibilities relating to our general partner's executive compensation program. The Compensation Committee oversees our compensation and benefit plans and policies, administers our incentive bonus and equity participation plans, and reviews and approves annually all compensation decisions relating to our Named Executive Officers. The Compensation Committee is empowered by the Board of Directors and by the Compensation Committee's charter to make all decisions regarding compensation for our Named Executive Officers without ratification or other action by the Board of Directors. The Compensation Committee has authority to secure services for executive compensation matters, legal advice, or other expert services, both from within and outside the company. While the Compensation Committee is empowered to delegate all or a portion of its duties to a subcommittee, it has not done so.

The Compensation Committee comprises all of our directors who have been determined to be "independent" by the Board of Directors in accordance with applicable NASDAQ Stock Market, LLC and SEC regulations, presently Messrs. Robinson, Carter, Druten and Torrence.

Table of Contents

Role of Executive Officers

Each year, the Chairman, President and CEO submits recommendations to the Compensation Committee for adjustments to the salary, bonuses and long-term equity incentive awards payable to our Named Executive Officers, excluding himself. The Chairman, President and CEO bases his recommendations on his assessment of each executive's performance, experience, demonstrated leadership, job knowledge and management skills. The Compensation Committee considers the recommendations of the Chairman, President and CEO as one factor in making compensation decisions regarding our Named Executive Officers. Historically, and in 2018, the Compensation Committee and the Chairman, President and CEO have been substantially aligned on decisions regarding compensation of the Named Executive Officers. As executive officers are promoted or hired during the year, the Chairman, President and CEO makes compensation recommendations to the Compensation Committee and works closely with the Compensation Committee to ensure that all compensation arrangements for executive officers are consistent with our compensation philosophy and are approved by the Compensation Committee. At the direction of the Compensation Committee, the Chairman, President and CEO and the Senior Vice President, General Counsel and Secretary attend certain meetings of the Compensation Committee.

Use of Peer Group Comparisons

The Compensation Committee believes that it is important to review and compare our performance with that of peer companies in the coal industry, and reviews the composition of the peer group annually. The peer group for 2018 included Arch Coal, Inc., Contura Energy, Inc., Foresight Energy, L.P., Natural Resource Partners L.P., Warrior Met Coal, Inc., and Westmoreland Resource Partners, L.P. In assessing the competitiveness of our executive compensation program for 2018, the Compensation Committee, with the assistance of the Chairman, President and CEO, collected and analyzed peer group proxy information and developed a comparative analysis of base salaries, short-term incentives, total cash compensation, long-term incentives and total direct compensation. The Compensation Committee uses the peer group data as a point of reference for comparative purposes, but it is not the determinative factor for the compensation of our Named Executive Officers. The Compensation Committee exercises discretion in determining the nature and extent of the use of comparative pay data.

Consideration of Equity Ownership

Mr. Craft, the Chairman, President and CEO, is evaluated and treated differently with respect to compensation than our other Named Executive Officers. Mr. Craft and related entities own significant equity positions in ARLP and Mr. Craft indirectly owns our general partner. Because of these ownership positions, the interests of Mr. Craft are directly aligned with those of our unitholders. Mr. Craft has not received an increase in base salary since 2002, has not received a bonus under our short-term incentive plan ("STIP") since 2005 and did not receive any grants of LTIP awards from 2005 through 2015. On January 22, 2016, the Compensation Committee approved an LTIP award for

Mr. Craft that vested on January 1, 2019, but he did not receive LTIP awards during either the 2017 or 2018 calendar year, nor did he receive an LTIP award for 2019. Beginning in February 2016, at Mr. Craft's request, his annual base salary was reduced to \$1.

Compensation Components

Overview

The principal components of compensation for our Named Executive Officers include:

- base salary;
- annual cash incentive bonus awards under the STIP; and
- awards of restricted units under the LTIP.

The relative amount of each component is not based on any formula, but rather is based on the recommendation of the Chairman, President and CEO, subject to the discretion of the Compensation Committee to make any modifications it deems appropriate.

Each of our Named Executive Officers also receives supplemental retirement benefits through the SERP. In addition, all executive officers are entitled to customary benefits available to our employees generally, including group medical,

Table of Contents

dental, and life insurance and participation in our profit sharing and savings plan ("PSSP"). Our PSSP is a defined contribution plan and includes an employer matching contribution of 75% on the first 3% of eligible compensation contributed by the employee, an employer non-matching contribution of 0.75% of eligible compensation, and an employer supplemental contribution of 5% of eligible compensation. The PSSP provides an additional means of attracting and retaining qualified employees by providing tax-advantaged opportunities for employees to save for retirement.

Base Salary

When reviewing base salaries, the Compensation Committee's policy is to consider the individual's experience, tenure and performance, the individual's level of responsibility, the position's complexity and its importance to us in relation to other executive positions, our financial performance, and competitive pay practices. The Compensation Committee also considers comparative compensation data of companies in our peer group and the recommendation of the Chairman, President and CEO of our general partner. Base salaries are reviewed annually to ensure continuing consistency with market levels, and adjustments to base salaries are made as needed to reflect movement in the competitive market as well as individual performance. With respect to the 2018 year, the Compensation Committee determined that the Named Executive Officer's base salaries would not be modified from 2017 levels.

Annual Cash Incentive Bonus Awards

The STIP is designed to assist us in attracting, retaining and motivating qualified personnel by rewarding management, including our Named Executive Officers, and selected other salaried employees with cash awards for our achievement of an annual financial performance target. The annual performance target is recommended by the Chairman, President and CEO and approved by the Compensation Committee, typically in January of each year. The performance measure is subject to equitable adjustment in the sole discretion of the Compensation Committee to reflect the occurrence of any significant events during the year.

The performance target historically has been EBITDA-based, with items added or removed from the EBITDA calculation to ensure that the performance target reflects the operating results of our core business. (EBITDA is defined as net income of ARLP before net interest expense, income taxes, depreciation, depletion and amortization and net income attributable to noncontrolling interest.) The aggregate cash available for awards under the STIP each year is dependent on our actual financial results for the year compared to the annual performance target, and it increases in relationship to our EBITDA, as adjusted, exceeding the minimum threshold. The Compensation Committee may determine satisfactory results and adjust the size of the pay-out pool in its sole discretion. In 2018, the Compensation Committee approved a minimum financial performance target of \$495.7 million in EBITDA from current operations, normalized by excluding any charges for unit-based and directors' compensation and affiliate contributions, if any. For 2018, we exceeded the minimum performance target.

Awards to our Named Executive Officers each year are determined by and in the discretion of the Compensation Committee. However, the Compensation Committee does not establish individual target payout amounts for the Named Executive Officers' STIP awards or otherwise communicate with the Named Executive Officers regarding their STIP awards or the payout amounts thereunder until the individual STIP awards are paid. As it does when reviewing base salaries, in determining individual awards under the STIP the Compensation Committee considers its assessment of the individual's performance, our financial performance, comparative compensation data of companies in our peer group and the recommendation of the Chairman, President and CEO. The compensation expense associated with STIP awards is recognized in the year earned, with the cash awards payable in the first quarter of the following calendar year. Termination of employment of an executive officer for any reason prior to payment of a cash award will result in forfeiture of any right to the award, unless and to the extent waived by the Compensation Committee in its discretion.

The performance measure for the STIP in 2019 will be EBITDA for current operations, excluding charges for unit-based and directors' compensation. As discussed above, the Compensation Committee may, in its discretion, make equitable adjustments to the performance criteria under the STIP and adjust the amount of the aggregate pay-out. The Compensation Committee believes the STIP performance criteria for 2019 will be reasonably difficult to achieve and therefore support our key compensation objectives discussed above.

Table of Contents

Equity Awards under the LTIP

Equity compensation pursuant to the LTIP is a key component of our executive compensation program. Our LTIP is sponsored by Alliance Coal. Under the LTIP, grants may be made of either (a) restricted units or (b) options to purchase common units, although to date, no grants of options have been made. The Compensation Committee has authority to determine the participants to whom restricted units are granted, the number of restricted units to be granted to each such participant, and the conditions under which the restricted units may become vested, including the duration of any vesting period. Annual grant levels for designated participants (including our Named Executive Officers) are recommended by our general partner's Chairman, President and CEO, subject to review and approval by the Compensation Committee. Grant levels are intended to support the objectives of the comprehensive compensation package described above. The LTIP grants provide our Named Executive Officers with the opportunity to achieve a meaningful ownership stake in the Partnership, thereby assuring that their interests are aligned with our success. Even though Mr. Craft was not granted an award under the LTIP from 2005 through 2018 with the exception of one grant in 2016, the Compensation Committee believes Mr. Craft's interests are directly aligned with the interests of our unitholders as a result of his ownership positions. There is no formula for determining the size of awards to any individual recipient and, as it does when reviewing base salaries and individual STIP payments, the Compensation Committee considers its assessment of the individual's performance, our financial performance, compensation levels at peer companies in the coal industry and the recommendation of the Chairman, President and CEO. Amounts realized from prior grants, including amounts realized due to changes in the value of our common units, are not considered in setting grant levels or other compensation for our Named Executive Officers.

Restricted Units. Restricted units granted under the LTIP are "phantom" or notional units that upon vesting entitle the participant to receive an ARLP common unit. Restricted units granted under the LTIP vest at the end of a stated period from the grant date (which is currently approximately three years for all outstanding restricted units), provided we achieve an aggregate performance target for that period. However, if a grantee's employment is terminated for any reason prior to the vesting of any restricted units, those restricted units will be automatically forfeited, unless the Compensation Committee, in its sole discretion, determines otherwise. The number of units actually distributed upon satisfaction of the applicable vesting requirements is reduced to cover the minimum statutory income tax withholding requirement for each individual participant based upon the fair market value of the common units as of the date of distribution. At the Compensation Committee's discretion, grants of restricted units under the LTIP may include the contingent right to receive quarterly distributions in an amount equal to the cash distributions we make to unitholders during the vesting period ("DERs"). DERs are payable, in the discretion of the Compensation Committee, either in cash or in the form of additional Restricted Units credited to a book keeping account subject to the same vesting restrictions as the tandem award.

The performance target applicable to restricted unit awards under the LTIP is based on a normalized EBITDA measure, with that measure typically being similar to the STIP measure for the year of the grant. The target, however, requires achieving an aggregate performance level for the three-year period. We typically issue grants under the LTIP at the beginning of each year, with the exceptions of new employees who begin employment with us at some other time and job promotions that may occur at some other time. The compensation expense associated with LTIP grants is recognized over the vesting period in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 718, Compensation — Stock Compensation.

Our general partner's policy is to grant restricted units pursuant to the LTIP to serve as a means of incentive compensation for performance. Therefore, no consideration will be payable by the LTIP participants upon receipt of the common units. Common units to be delivered upon the vesting of restricted units may be common units we already own, common units we acquire in the open market or from any other person, newly issued common units, or any combination of the foregoing. If we issue new common units upon payment of the restricted units instead of purchasing them, the total number of common units outstanding will increase.

Grants for 2018 under the LTIP, made January 24, 2018, will cliff vest on January 1, 2021, provided we achieve a target level of aggregate EBITDA for current operations, excluding any charges for unit-based and directors' compensation and affiliate contributions, if any, for the period January 1, 2018 through December 31, 2020. Grants for 2019 under the LTIP, made January 23, 2019, will cliff vest on January 1, 2022, provided we achieve a target level of aggregate EBITDA for current operations, excluding any charges for unit-based and directors' compensation, for the period January 1, 2019 through December 31, 2021. The LTIP provides the Compensation Committee with discretion to determine the conditions for vesting (as well as all other terms and conditions) associated with any award under the plan, and to amend any of those conditions so long as an amendment does not materially reduce the benefit to the participant. The Compensation

Table of Contents

Committee believes the performance-related vesting conditions of all outstanding awards under the LTIP will be reasonably difficult to satisfy and therefore support our key compensation objectives discussed above.

Unit Options. We have not made any grants of unit options. The Compensation Committee, in the future, may decide to make unit option grants to employees and directors on terms determined by the Compensation Committee.

Grant Timing. The Compensation Committee does not time, nor has the Compensation Committee in the past timed, the grant of LTIP awards in coordination with the release of material non-public information. Instead, LTIP awards are granted only at the time or times dictated by our normal compensation process as developed by the Compensation Committee.

Effect of a Change in Control. Upon a "change in control" as defined in the LTIP, all awards outstanding under the LTIP will automatically vest and become payable or exercisable, as the case may be, in full. Please see "Item 11. Executive Compensation—Potential Payments Upon a Termination or Change of Control."

Amendments and Termination. The Board of Directors or the Compensation Committee may, in its discretion, terminate the LTIP at any time with respect to any common units for which a grant has not previously been made. Except as required by the rules of the exchange on which the common units may be listed at that time, the Board of Directors or the Compensation Committee may alter or amend the LTIP in any manner from time to time; provided, however, that no change in any outstanding grant may be made that would materially impair the rights of the participant without the consent of the affected participant. In addition, the Board of Directors or the Compensation Committee may, in its discretion, establish such additional compensation and incentive arrangements as it deems appropriate to motivate and reward our employees.

Supplemental Executive Retirement Plan

We maintain the SERP to help attract and motivate key employees, including our Named Executive Officers. The SERP is sponsored by Alliance Coal. Participation in the SERP aligns the interest of each Named Executive Officer with the interests of our unitholders because all allocations made to participants under the SERP are made in the form of notional common units of ARLP, defined in the SERP as "phantom units." The Compensation Committee approves the SERP participants and their percentage allocations, and can amend or terminate the SERP at any time. All of our Named Executive Officers currently participate in the SERP.

Under the terms of the SERP, a participant is entitled to receive on December 31 of each year an allocation of phantom units having a fair market value equal to his or her percentage allocation multiplied by the sum of the

participant's base salary and cash bonus received that year, then reduced by any supplemental contribution that was made to our defined contribution PSSP for the participant that year. A participant's cumulative notional phantom unit account balance earns the equivalent of common unit distributions, which are added to the notional account balance in the form of additional phantom units. All amounts granted under the SERP vest immediately and are paid out upon the participant's termination from employment in ARLP common units equal to the number of phantom units then credited to the participant's account, less the number of units required to satisfy our tax withholding obligations. A participant in the SERP is not entitled to an allocation for the year in which his termination from employment occurs, except as described below.

A participant in the SERP, including any of our Named Executive Officers, is entitled to receive an allocation under the SERP for the year in which his employment is terminated only if such termination results from one of the following events:

- (1) the participant's employment is terminated other than for "cause";
- (2) the participant terminates employment for "good reason";
- (3) a change of control of us or our general partner occurs and, as a result, the participant's employment is terminated (whether voluntary or involuntary);
- (4) death of the participant;
- (5) the participant attains (or has attained) retirement age of 65 years; or

Table of Contents

- (6) the participant incurs a total and permanent disability, which shall be deemed to occur if the participant is eligible to receive benefits under the terms of the long-term disability program we maintain.

This allocation for the year in which a participant's termination occurs shall equal the participant's eligible compensation for such year (including any severance amount, if applicable) multiplied by his percentage allocation under the SERP, reduced by any supplemental contribution that was made to our defined contribution PSSP for the participant that year.

Other Compensation-Related Matters

Trading in Derivatives

It is our general partner's policy that directors and all officers, including the Named Executive Officers, may not purchase or sell options on ARLP's common units.

Tax Deductibility of Compensation

The deduction limitations imposed under Section 162(m) of the Internal Revenue Code do not apply to compensation paid to our Named Executive Officers because we are a limited partnership and not a "corporation" within the meaning of Section 162(m).

Perquisites and Personal Benefits

The Partnership provides a limited amount of perquisites and personal benefits to the Named Executive Officers in keeping with the Compensation Committee's objectives to provide competitive compensation to motivate and reward executive officers for creating sustainable, capital-efficient growth in available cash. These perquisites and personal benefits typically include amounts for items such as tax preparation fees and social club dues, and are reviewed annually by the Compensation Committee.

Compensation Committee Report

Explanation of Responses:

The Compensation Committee has submitted the following report for inclusion in this Annual Report on Form 10-K:

Our Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Annual Report on Form 10-K with management. Based on our Compensation Committee's review of and the discussions with management with respect to the Compensation Discussion and Analysis, our Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

The foregoing report is provided by the following directors, who constitute all the members of the Compensation Committee:

Members of the Compensation Committee:

John H. Robinson, Chairman

Nick Carter

Robert J. Druten

Wilson M. Torrence

Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act or the Exchange Act, that incorporate future filings, including this Annual Report on Form 10-K, in whole or in part, the foregoing Compensation Committee Report shall not be deemed to be filed with the SEC or incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate it by reference.

Table of Contents

Summary Compensation Table

Name and Principal Position	Year	Salary (1)	Unit Awards (2)	Non-Equity Incentive Plan Compensation (3)	All Other Compensation (4)	Total
Joseph W. Craft III President, Chief Executive Officer and Director (5)	2018	\$ 1	\$ —	\$ —	\$ 468,257	\$ 468,258
	2017	1	—	—	376,620	376,621
	2016	32,197	972,511	—	356,682	1,361,390
Brian L. Cantrell, Senior Vice President – Chief Financial Officer	2018	284,000	486,438	385,000	99,727	1,255,165
	2017	284,000	487,483	242,000	91,310	1,104,793
	2016	284,000	486,534	300,000	83,669	1,154,203
R. Eberley Davis Senior Vice President, General Counsel and Secretary	2018	325,000	619,568	530,000	118,464	1,593,032
	2017	325,000	587,644	277,000	111,287	1,300,931
	2016	325,000	584,336	342,000	94,572	1,345,908
Timothy J. Whelan (6) Senior Vice President – Sales and Marketing of Alliance Coal, LLC	2018	285,000	512,040	410,000	72,121	1,279,161
Thomas M. Wynne Senior Vice President and Chief Operating Officer	2018	374,000	711,756	500,000	121,393	1,707,149
	2017	374,000	710,264	319,000	113,983	1,517,247
	2016	374,000	714,945	394,000	97,027	1,579,972

- (1) Certain of our Named Executive Officers devote a portion of their time to the business of one or more related parties and, to the extent they do so, the base salary of those executive officers is reimbursed to Alliance Coal by those related parties pursuant to an administrative services agreement. Please see "Item 1. Business—Employees—Administrative Services Agreement." In 2018, prior to the Simplification Transactions on May 31, 2018, the percentage of base salary reimbursed to Alliance Coal was 5% for Mr. Craft, 5% for Mr. Cantrell and 8% for Mr. Davis. Please see "Item 1. Business—Partnership Simplification" for more information on the Simplification Transactions. In 2017, the percentage of base salary reimbursed to Alliance Coal was 5% for Mr. Craft, 6% for Mr. Cantrell and 9% for Mr. Davis. In 2016, the percentage of base salary reimbursed to Alliance Coal was 5% for Mr. Craft, 4% for Mr. Cantrell and 8% for Mr. Davis.
- (2) The Unit Awards represent the aggregate grant date fair value of equity awards granted (computed in accordance with FASB ASC 718) to each Named Executive Officer under the LTIP in the respective year. Please see "Item 11. Compensation Discussion and Analysis—Compensation Program Components—Equity Awards under the LTIP" for a description of the terms of the awards.

- (3) Amounts represent the STIP bonus earned for the respective year. STIP payments are made in the first quarter of the year following the year in which they are earned. Other than this incentive award, there were no other applicable bonuses earned or deferred associated with year 2018. Please see "Item 11. Compensation Discussion and Analysis—Compensation Program Components—Annual Cash Incentive Bonus Awards."

Table of Contents

- (4) For all Named Executive Officers, the amounts represent the sum of the (a) SERP phantom unit contributions valued at the market closing price of our common units on the date the phantom unit was granted, (b) profit sharing savings plan employer contribution and (c) perquisites in excess of \$10,000. A reconciliation of the 2018 amounts shown is as follows:

	SERP	Profit Sharing Plan Employer Contribution	Perquisites (a)	Total
Joseph W. Craft III	\$ 455,795	\$ —	\$ 12,462	\$ 468,257
Brian L. Cantrell	64,883	22,000	12,844	99,727
R. Eberley Davis	96,464	22,000	—	118,464
Timothy J. Whelan	31,937	22,000	18,184	72,121
Thomas M. Wynne	99,393	22,000	—	121,393

- a) For Mr. Craft and Mr. Whelan, perquisites and other personal benefits comprised of club dues of \$12,462 and \$18,184, respectively. For Mr. Cantrell, perquisites and other personal benefits totaling \$12,844 comprised of club dues of \$11,420 and tax preparation fees of \$1,424.

- (5) Mr. Craft was appointed Chairman of the Board on January 1, 2019.

- (6) Mr. Whelan became a Named Executive Officer in 2018 therefore compensation for 2017 and 2016 is not presented in the table.

Table of Contents

Grants of Plan-Based Awards Table

Name	Grant Date	Approved Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards		
			Threshold (3)	Target (4)	Maximum (3)	Threshold (5)	Target (6)	Maximum (5)
Joseph W. Craft III	February 2, 2018	February 2, 2018					—	
	February 14, 2018	(1), (2)					—	
	May 15, 2018	(1), (2)					—	
	August 14, 2018	(1), (2)					—	
	November 14, 2018	(1), (2)					—	
	December 31, 2018	(2)					—	
		February 7, 2019		\$ —			—	
				—			—	
Brian L. Cantrell	February 2, 2018	February 2, 2018					23,845	
	February 14, 2018	(1), (2)					—	
	May 15, 2018	(1), (2)					—	
	August 14, 2018	(1), (2)					—	
	November 14, 2018	(1), (2)					—	
	December 31, 2018	(2)					—	
		February 7, 2019		385,000			—	
				385,000			23,845	
R. Eberley Davis	February 2, 2018	February 2, 2018 (1), (2)					30,371 —	

Explanation of Responses:

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	February 14, 2018			
	May 15, 2018	(1), (2)		—
	August 14, 2018	(1), (2)		—
	November 14, 2018	(1), (2)		—
	December 31, 2018	(2)		—
	February 7, 2019		530,000	—
			530,000	30,371
Timothy J. Whelan	February 2, 2018	February 2, 2018		25,100
	February 14, 2018	(1), (2)		—
	May 15, 2018	(1), (2)		—
	August 14, 2018	(1), (2)		—
	November 14, 2018	(1), (2)		—
	December 31, 2018	(2)		—
	February 7, 2019		410,000	—
			410,000	25,100
Thomas M. Wynne	February 2, 2018	February 2, 2018		34,890
	February 14, 2018	(1), (2)		—
	May 15, 2018	(1), (2)		—
	August 14, 2018	(1), (2)		—
	November 14, 2018	(1), (2)		—
	December 31, 2018	(2)		—
	February 7, 2019		500,000	—
			\$ 500,000	34,890

(1) In accordance with the provisions of the SERP, a participant's cumulative notional phantom unit account balance earns the equivalent of common unit distributions when we pay a distribution to our common unitholders, which is added to the account balance in the form of phantom units.

- (2) These contributions are made in accordance with the SERP plan document that has been approved by the Compensation Committee. Therefore, these contributions are not separately approved by the Compensation Committee.
- (3) Awards under our STIP are subject to a minimum financial performance target each year. However, determination of individual awards under the STIP is based upon an assessment of the Named Executive Officer's performance, comparative compensation data of companies in our peer group and recommendation of the Chairman, President and CEO. The STIP does not specify any threshold or maximum payout amounts. Please see "Item 11. Compensation Discussion and Analysis—Compensation Components—Annual Cash Incentive Bonus Awards" for additional information regarding the STIP awards.
- (4) These amounts represent awards pursuant to our STIP. Please see "Item 11. Compensation Discussion and Analysis—Compensation Components—Annual Cash Incentive Bonus Awards" for additional information regarding the STIP awards.

Table of Contents

- (5) Grants of restricted units under our LTIP are not subject to minimum thresholds, targets or maximum payout conditions. However, the vesting of these grants is subject to the satisfaction of certain performance criteria. Please see "Item 11. Compensation Discussion and Analysis—Compensation Components—Equity Awards under the LTIP."
- (6) These awards are grants of restricted units pursuant to our LTIP. Please see "Item 11. Compensation Discussion and Analysis—Compensation Components—Equity Awards under the LTIP."
- (7) These awards are phantom units added to each Named Executive Officer's SERP notional account balance. Please see "Item 11. Compensation Discussion and Analysis—Compensation Components—Supplemental Executive Retirement Plan."
- (8) We calculated the fair value of LTIP awards using a value of \$20.40 per unit, the unit price applicable for 2018 grants. We calculated the fair value of SERP phantom unit awards using the market closing price on the date the phantom unit award was granted. Phantom units granted under the SERP vest on the date granted.

Narrative Disclosure Relating to the Summary Compensation Table and Grants of Plan-Based Awards Table

Annual Cash Incentive Bonus Awards

Under the STIP, our Named Executive Officers are eligible for cash awards for our achieving an annual financial performance target. The annual performance target is recommended by the Chairman, President and CEO of our general partner and approved by the Compensation Committee, typically in January of each year. The performance target historically has been EBITDA-based, with items added or removed from the EBITDA calculation to ensure that the performance target reflects the pure operating results of our core business. (EBITDA is calculated as net income attributable to ARLP before net interest expense, income taxes and depreciation, depletion and amortization.) The aggregate cash available for awards under the STIP each year is dependent on our actual financial results for the year compared to the annual performance target. The cash available generally increases in relationship to our EBITDA, as adjusted, exceeding the minimum financial performance target and is subject to adjustment by the Compensation Committee in its discretion. Please see "Item 11. Compensation Discussion and Analysis—Compensation Components—Annual Cash Incentive Bonus Awards."

Long-Term Incentive Plan

Under the LTIP, grants may be made of either (a) restricted units or (b) options to purchase common units, although to date, no grants of options have been made. Annual grant levels for designated participants (including our Named Executive Officers) are recommended by our general partner's Chairman, President and CEO, subject to the review

and approval of the Compensation Committee. Restricted units granted under the LTIP are "phantom" or notional units that upon vesting entitle the participant to receive an ARLP unit. Restricted units granted under the LTIP vest at the end of a stated period from the grant date (which is currently approximately three years for all outstanding restricted units), provided we achieve an aggregate performance target for that period. The performance target is based on a normalized EBITDA measure, with that measure typically being similar to the STIP measure for the year of the grant. The target, however, requires achieving an aggregate performance level for the three-year period. Please see "Item 11. Compensation Discussion and Analysis—Compensation Components—Equity Awards under the LTIP."

Supplemental Executive Retirement Plan

Under the terms of the SERP, participants are entitled to receive on December 31 of each year an allocation of phantom units having a fair market value equal to his or her percentage allocation multiplied by the sum of base salary and cash bonus received that year, then reduced by any supplemental contribution that was made to our defined contribution PSSP for the participant that year. A participant's cumulative notional phantom unit account balance earns the equivalent of common unit distributions. The calculated distributions are added to the notional account balance in the form of additional phantom units. All amounts granted under the SERP vest immediately and are paid out upon the participant's termination or death in ARLP common units equal to the number of phantom units then credited to the participant's account, subject to reduction of the number of units distributed to cover withholding obligations. Please see "Item 11. Compensation Discussion and Analysis—Compensation Components—Supplemental Executive Retirement Plan."

Table of Contents

Salary and Bonus in Proportion to Total Compensation

The following table shows the total of salary and bonus in proportion to total compensation from the Summary Compensation Table:

Name	Year	Salary and Bonus (\$) (1)	Total Compensation (\$)	Salary and Bonus as a % of Total Compensation (1)
Joseph W. Craft III	2018	\$ 1	\$ 468,258	0.0%
Brian L. Cantrell	2018	284,000	1,255,165	22.6%
R. Eberley Davis	2018	325,000	1,593,032	20.4%
Timothy J. Whelan	2018	285,000	1,279,161	22.3%
Thomas M. Wynne	2018	374,000	1,707,149	21.9%

(1) Percentages were calculated using the base salary of the NEOs, as we have not provided discretionary bonuses to our NEOs with respect to the 2018 year. Incentive awards paid pursuant to our STIP are deemed to be performance-based non-equity incentive compensation awards and are not included within the discretionary bonus amounts.

Outstanding Equity Awards at 2018 Fiscal Year-End Table

Name	Equity Incentive Plan Awards: Number of Unearned Units or Other Rights That Have Not Vested (1)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Units or Other Rights That Have Not Vested (2)
Joseph W. Craft III	78,555	\$ 1,362,144

Explanation of Responses:

Brian L. Cantrell	84,112	1,458,502
R. Eberley Davis	102,846	1,783,350
Timothy J. Whelan	86,178	1,494,326
Thomas M. Wynne	123,189	2,136,098

(1) Amounts represent restricted units awarded under the LTIP that were not vested as of December 31, 2018. Subject to our achieving financial performance targets, the units vested, or will vest, as follows:

Name	January 1,		
	2019	2020	2021
Joseph W. Craft III	78,555	—	—
Brian L. Cantrell	39,300	20,967	23,845
R. Eberley Davis	47,200	25,275	30,371
Timothy J. Whelan	39,256	21,822	25,100
Thomas M. Wynne	57,750	30,549	34,890

Table of Contents

Please see "Item 11. Compensation Discussion and Analysis—Compensation Components—Equity Awards under the LTIP." All grants of restricted units under the LTIP include the contingent right to receive quarterly cash distributions in an amount equal to the cash distributions we make to unitholders during the vesting period.

(2) Stated values are based on \$17.34 per unit, the closing price of our common units on December 31, 2018, the final market trading day of 2018.

Units Vested Table for 2018

Name	Unit Awards	
	Number of Units Acquired on Vesting (1)	Value Realized on Vesting (1) \$
Joseph W. Craft III	—	—
Brian L. Cantrell	13,424	264,453
R. Eberley Davis	15,719	309,664
Timothy J. Whelan	14,369	283,069
Thomas M. Wynne	19,038	375,049

(1) Amounts represent the number and value of restricted units granted under the LTIP that vested in 2018. All of these units vested on January 1, 2018 and are valued at \$19.70 per unit, the closing price on December 29, 2017, the final market trading day of 2017. Please see "Item 11. Compensation Discussion and Analysis—Compensation Components—Equity Awards under the LTIP."

Pension Benefits Table for 2018

Name	Plan Name	Number of Years Credited Service (1)	Present Value of Accumulated Benefit (2) \$	Payments During Last Fiscal Year \$
Joseph W. Craft III	SERP		\$ 4,086,223	—
Brian L. Cantrell	SERP		411,270	—

R. Eberley Davis	SERP	551,776	—
Timothy J. Whelan	SERP	124,137	—
Thomas M. Wynne	SERP	568,180	—

(1) Column not applicable because no provision of the SERP is affected by years of service.

(2) Amounts represent the Named Executive Officer's cumulative notional account balance of phantom units valued at \$17.34, the closing price of our common units on December 31, 2018, the final market trading day of 2018. Please see "Item 11. Compensation Discussion and Analysis—Compensation Components—Supplemental Executive Retirement Plan."

Narrative Discussion Relating to the Pension Benefits Table for 2018

Supplemental Executive Retirement Plan

Under the terms of the SERP, participants are entitled to receive on December 31 of each year an allocation of phantom units having a fair market value equal to their percentage allocation multiplied by the sum of base salary and cash bonus received that year, then reduced by any supplemental contribution that was made to our defined contribution PSSP for the

Table of Contents

participant that year. A participant's cumulative notional phantom unit account balance earns the equivalent of common unit distributions. The calculated distributions are added to the notional account balance in the form of additional phantom units. All amounts granted under the SERP vest immediately and are paid out upon the participant's termination or death in ARLP common units equal to the number of phantom units then credited to the participant's account, subject to reduction of the number of units distributed to cover withholding obligations. Please see "Item 11. Compensation Discussion and Analysis—Compensation Components—Supplemental Executive Retirement Plan."

Potential Payments Upon a Termination or Change of Control

Each of our Named Executive Officers is eligible to receive accelerated vesting and payment under the LTIP and the SERP upon certain terminations of employment or upon our change in control. Upon a "change of control," as defined in the LTIP, all awards outstanding under the LTIP will automatically vest and become payable or exercisable, as the case may be, in full. In this regard, all restricted periods shall terminate and all performance criteria, if any, shall be deemed to have been achieved at the maximum level. The LTIP defines a "change in control" as one of the following events: (1) any sale, lease, exchange or other transfer of all or substantially all of our assets or Alliance Coal's assets to any person other than a person who is our affiliate; (2) the consolidation or merger of Alliance Coal with or into another person pursuant to a transaction in which the outstanding voting interests of Alliance Coal are changed into or exchanged for cash, securities or other property, other than any such transaction where (a) the outstanding voting interests of Alliance Coal are changed into or exchanged for voting stock or interests of the surviving corporation or its parent and (b) the holders of the voting interests of Alliance Coal immediately prior to such transaction own, directly or indirectly, not less than a majority of the voting stock or interests of the surviving corporation or its parent immediately after such transaction; or (3) a person or group being or becoming the beneficial owner of more than 50% of all voting interests of Alliance Coal then outstanding.

The amounts each of our Named Executive Officers could receive under the SERP have been previously disclosed in "Item 11. Pension Benefits Table for 2018" and the amounts each of the Named Executive Officers could receive under the LTIP have been previously disclosed in "Item 11. Outstanding Equity Awards at 2018 Fiscal Year-End Table", in each case assuming the triggering event occurred on December 31, 2018. In addition, if a Named Executive Officer's employment were terminated as a result of one of certain enumerated events in the SERP, the Named Executive Officer would receive an amount based on an allocation for the year of termination. Please see "Item 11. Compensation Discussion and Analysis—Compensation Components—Supplemental Executive Retirement Plan" for additional information regarding the enumerated events and allocation determination. The exact amount that any Named Executive Officer would receive could only be determined with certainty upon an actual termination or change in control.

Director Compensation

The sole member of our general partner has the right to set the compensation of the directors of our general partner. Typically, such compensation has been set by the Board of Directors upon recommendation of the Compensation Committee, and with the concurrence of Mr. Craft, who indirectly owns our general partner. Mr. Craft received no director compensation in 2018, and all compensation he received in his capacity as an employee is disclosed above within the Summary Compensation Table. The directors of MGP devote 100% of their time as directors of MGP to the business of the ARLP Partnership.

Director Compensation Table for 2018

Name	Fees earned or Paid in Cash (\$)	Unit Awards (\$)(3)(4)	Option Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)(1)	Change in Pension Value and Nonqualified Deferred Compensation		Total (\$)
					Earnings (\$)(1)	Other Compensation (\$)(2)	
John P. Neafsey (5)	\$ 4,000	\$ 406,323	\$ —	\$ —	\$ —	\$ 25,000	\$ 435,323
John H. Robinson	165,000	—	—	—	—	25,000	190,000
Wilson M. Torrence	138,750	15,101	—	—	—	25,000	178,851
Nick Carter	155,000	—	—	—	—	25,000	180,000
Charles R. Wesley	—	—	—	—	—	25,000	25,000

(1) Columns are not applicable.

(2) These amounts represent a discretionary payment to the directors as a result of the 2018 performance.

Table of Contents

- (3) Amounts represent the grant date fair value of equity awards in 2018 related to deferrals of annual retainer and distributions earned on deferred units (computed in accordance with FASB ASC 718, using the same assumptions as used for financial reporting purposes). Please see Narrative to Director Compensation Table, below.
- (4) At December 31, 2018, each director had the following number of "phantom" ARLP common units credited to his notional account under the MGP's Amended and Restated Deferred Compensation Plan for Directors ("Directors' Deferred Compensation Plan"):

Name	Directors Deferred Compensation Plan (in Units)
John P. Neafsey	115,484
John H. Robinson	—
Wilson M. Torrence	7,824
Nick Carter	—

On January 9, 2019, we provided 115,484 ARLP common units to Mr. Neafsey to settle his phantom unit balance under the Directors' Deferred Compensation Plan. Please see "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Unitholder Matters" for information regarding our Directors' beneficial ownership of ARLP common units.

- (5) Mr. Neafsey retired effective January 1, 2019.

Narrative to Director Compensation Table

Compensation for our non-employee directors includes an annual cash retainer paid quarterly in advance on a pro rata basis. The annual retainer for calendar year 2018 was \$155,000 for each director other than Mr. Torrence, and \$77,500 for Mr. Torrence, who also served, and received additional compensation, as a director and chairman of the audit committee of AGP, the former general partner of AHGP, through June 30, 2018. Thereafter, Mr. Torrence's cash retainer was adjusted to \$155,000 on an annualized basis. Mr. Neafsey also was entitled to cash compensation of \$38,750 for service as Chairman of the Board of Directors, Mr. Torrence also was entitled to cash compensation of \$15,000 for service as Chairman of the Audit Committee (adjusted to \$30,000 annualized, after June 30, 2018), and Mr. Robinson also was entitled to additional cash compensation of \$10,000 for service as Chairman of the Compensation Committee. Directors have the option to defer all or part of their cash compensation pursuant to the Directors' Deferred Compensation Plan by completing an election form prior to the beginning of each calendar year. Only Mr. Neafsey elected to defer cash compensation in 2018 pursuant to the Directors' Deferred Compensation

Plan, deferring all but \$4,000 of his cash compensation for 2018 (including the annual retainer described above).

Pursuant to the Directors' Deferred Compensation Plan, a notional account is established for deferred amounts of cash compensation and credited with notional common units of ARLP, described in the plan as "phantom" units. The number of phantom units credited is determined by dividing the amount deferred by the average closing unit price for the ten trading days immediately preceding the deferral date. When quarterly cash distributions are made with respect to ARLP common units, an amount equal to such quarterly distribution is credited to the notional account as additional phantom units. Payment of accounts under the Directors' Deferred Compensation Plan will be made in ARLP common units equal to the number of phantom units then credited to the director's account.

Directors may elect to receive payment of the account resulting from deferrals during a plan year either (a) on the January 1 on or next following their separation from service as a director or (b) on the earlier of a specified January 1 or the January 1 on or next following their separation from service. The payment election must be made prior to each plan year; if no election is made, the account will be paid on the January 1 on or next following the director's separation from service. The Directors' Deferred Compensation Plan is administered by the Compensation Committee, and the Board of Directors may change or terminate the plan at any time; provided, however, that accrued benefits under the plan cannot be impaired.

Table of Contents

Upon any recapitalization, reorganization, reclassification, split of common units, distribution or dividend of securities on ARLP common units, our consolidation or merger, or sale of all or substantially all of our assets or other similar transaction that is effected in such a way that holders of common units are entitled to receive (either directly or upon subsequent liquidation) cash, securities or assets with respect to or in exchange for ARLP common units, the Compensation Committee shall, in its sole discretion (and upon the advice of financial advisors as may be retained by the Compensation Committee), immediately adjust the notional balance of phantom units in each director's account under the Directors' Deferred Compensation Plan to equitably credit the fair value of the change in the ARLP common units and/or the distributions (of cash, securities or other assets) received or economic enhancement realized by the holders of the ARLP common units.

The Board of Directors has established a recommendation that each non-employee director should attain within five years following such person's election to the Board of Directors, and thereafter maintain during service on the Board of Directors, ownership of equity of ARLP (including phantom equity ownership under the Directors' Deferred Compensation Plan) with an aggregate value of \$220,000.

CEO Pay Ratio Disclosures

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our employees and the annual total compensation of Joseph W. Craft III, our CEO.

For 2018, our last completed fiscal year:

- The median of the annual total compensation of all employees of our company (other than the CEO) was \$98,749.
- The annual total compensation of our CEO, as reported in the Summary Compensation Table was \$468,258.
- Based on this information, for 2018 the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all employees was reasonably estimated to be 4.7 to 1.

To determine the annual total compensation of our median employee and our CEO, we took the following steps:

- Using the same median employee identified in 2017, we combined all of the elements of such employee's compensation for the 2018 year in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, resulting in annual total compensation of \$98,749, comprised of such employee's W-2 compensation of \$92,019 and contributions in the amount of \$6,730 that we made on the employee's behalf to our 401(k) plan for the 2018 year.
- With respect to the annual total compensation of our CEO, we used the amount reported in the "Total" column of our 2018 Summary Compensation Table.

Compensation Committee Interlocks and Insider Participation

Mr. Craft, Chairman, President and CEO of our general partner, is also Chairman, President and Chief Executive Officer of AGP. Otherwise, none of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more of its executive officers serving as a member of the Board of Directors or Compensation Committee of our general partner.

147

Table of Contents

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED UNITHOLDER MATTERS

The following table sets forth certain information as of February 8, 2019, regarding the beneficial ownership of common units held by (a) each director of our general partner, (b) each executive officer of our general partner identified in the Summary Compensation Table included in "Item 11. Executive Compensation" above, (c) all directors and executive officers as a group, and (d) each person known by our general partner to be the beneficial owner of 5% or more of our common units. The address of our general partner and, unless otherwise indicated in the footnotes to the table below, each of the directors, executive officers and 5% unitholders reflected in the table below is 1717 South Boulder Avenue, Suite 400, Tulsa, Oklahoma 74119. Unless otherwise indicated in the footnotes to the table below, the common units reflected as being beneficially owned by our general partner's directors and Named Executive Officers are held directly by such directors and officers. The percentage of common units beneficially owned is based on 128,391,191 common units outstanding as of February 8, 2019.

Name of Beneficial Owner	Common Units Beneficially Owned	Percentage of Common Units Beneficially Owned
Directors and Executive Officers		
Joseph W. Craft III (1)	19,504,324	15.2%
Nick Carter	20,000	*
Robert J. Druten	37,628	*
John H. Robinson	18,462	*
Wilson M. Torrence	34,796	*
Charles R. Wesley III (2)	4,305,203	3.4%
Brian L. Cantrell	175,058	*
R. Eberley Davis	123,083	*
Robert J. Fouch	50,137	*
Robert G. Sachse	185,710	*
Thomas M. Wynne (3)	1,125,931	*
Timothy Whelan	50,722	*
All directors and executive officers as a group (12 persons)	25,631,054	20.0%
5% Common Unit Holder		
Kathleen S. Craft (4)	16,237,609	12.6%

*Less than one percent.

- (1) The common units attributable to Mr. Craft consist of (i) 19,305,581 common units held directly by him, (ii) 2,000 common units held by his son, (iii) 168,602 common units attributable to Mr. Craft's spouse and (iv) 28,141 common units held by SGP (indirectly jointly owned by Mr. Craft and Kathleen S. Craft).

- (2) The common units attributable to Mr. Wesley consist of (i) 1,035,728 common units held directly by him and (ii) 3,269,475 common units held through trusts and other entities controlled by him and his spouse.
- (3) The common units attributable to Mr. Wynne consist of (i) 774,895 common units held directly by him and (ii) 351,036 common units held through a trust and another entity controlled by him.
- (4) The common units attributable to Kathleen S. Craft consist of (i) 16,209,468 common units held directly by her and (ii) 28,141 common units held by SGP (indirectly jointly owned by Mr. Craft and Kathleen S. Craft).

148

Table of Contents

Equity Compensation Plan Information

Plan Category	Number of units to be issued upon exercise/vesting of outstanding options, warrants and rights as of December 31, 2018	Weighted-average exercise price of outstanding options, warrants and rights	Number of units remaining available for future issuance under equity compensation plans as of December 31, 2018
Equity compensation plans approved by unitholders:			
Long-Term Incentive Plan	1,828,080	N/A	2,205,152
Equity compensation plans not approved by unitholders:			
Supplemental Executive Retirement Plan	512,529	N/A	N/A
Directors' Deferred Compensation	123,308	N/A	N/A

ITEM 13.CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

In addition to the related-party transactions discussed in "Item 8. Financial Statements and Supplementary Data— Note 8 — Partners' Capital and Note 18 — Related-Party Transactions," ARLP has the following additional related-party transactions:

Certain Relationships

We are managed by MGP, which holds a non-economic general partner interest in us. Prior to the Simplification Transactions discussed in "Item 8. Financial Statements and Supplementary Data—Note 1 — Organization and Presentation – Partnership Simplification," AHGP directly and indirectly through its wholly owned subsidiary, MGP II

owned approximately 66.7% of our total outstanding common units, and MGP was a wholly owned subsidiary of MGP II. As a result of the Simplification Transactions, AHGP and MGP II became wholly owned subsidiaries of ARLP and MGP remained our sole general partner and became a wholly owned subsidiary of AGP, which is indirectly wholly owned by Mr. Craft. MGP's ability, as general partner, to control us effectively gives MGP the ability to veto our actions and to control our management.

Prior to the Simplification Transactions, certain of our officers and directors were also officers and/or directors of AHGP's general partner, AGP, including Mr. Craft, the Chairman, President and CEO of our general partner, Mr. Torrence, a Director, member of the Compensation Committee and Chairman of the Audit Committee of the MGP Board of Directors, Mr. Cantrell, the Senior Vice President and Chief Financial Officer of our general partner, Mr. Davis, the Senior Vice President, General Counsel and Secretary of our general partner, and Mr. Fouch, Vice President, Controller and Chief Accounting Officer of our general partner. Following the Simplification Transactions, Messrs. Craft, Cantrell, Davis and Fouch continue to be officers of AGP, which is no longer the general partner of AHGP as a result of the Simplification Transactions.

Related-Party Transactions

The Board of Directors and its Conflicts Committee review our related-party transactions that involve a potential conflict of interest between MGP or any of its affiliates and ARLP or its subsidiaries or another partner to determine that such transactions reflect market-clearing terms and conditions customary in the coal industry. As a result of these reviews, the Board of Directors and the Conflicts Committee approved each of the transactions described below that had such potential conflict of interest as fair and reasonable to us and our limited partners.

Administrative Services

On April 1, 2010, effective January 1, 2010, ARLP entered into an Administrative Services Agreement with our general partner, our Intermediate Partnership, AHGP and its general partner AGP, and ARH II. Under the Administrative Services Agreement, certain employees, including some executive officers, provided administrative services for AHGP, AGP and ARH II and their respective affiliates. Prior to the Simplification Transactions, we were reimbursed for services rendered by our employees on behalf of these entities as provided under the Administrative Services Agreement. We billed and recognized administrative service revenue under this agreement for the year ended December 31, 2018 of \$0.2

Table of Contents

million from AHGP. In conjunction with the Simplification Transactions, we discontinued the Administrative Service Agreement.

Our partnership agreement provides that MGP and its affiliates be reimbursed for all direct and indirect expenses incurred or payments made on behalf of us, including, but not limited to, director fees and expenses, management's salaries and related benefits (including incentive compensation), and accounting, budgeting, planning, treasury, public relations, land administration, environmental, permitting, payroll, benefits, disability, workers' compensation management, legal and information technology services. MGP may determine in its sole discretion the expenses that are allocable to us. Total costs billed to us by our general partner and its affiliates were approximately \$1.1 million for the year ended December 31, 2018. The executive officers of our general partner are employees of and paid by Alliance Coal, and the reimbursement we pay to our general partner pursuant to the partnership agreement does not include any compensation expenses associated with them.

JC Land

Our subsidiary, ASI, has a time-sharing agreement with Mr. Craft and Mr. Craft's affiliate, JC Land, LLC ("JC Land"), concerning their use of aircraft owned by ASI for purposes other than our business. In accordance with the provisions of that agreement, Mr. Craft and JC Land paid ASI \$53,441 for the year ended December 31, 2018 for use of the aircraft. In addition, Alliance Coal has a time-sharing agreement with JC Land concerning Alliance Coal's use of an airplane owned by JC Land. In accordance with the provisions of that agreement, Alliance Coal paid JC Land \$0.3 million for the year ended December 31, 2018 for use of the aircraft.

Effective August 1, 2013, Alliance Coal entered into an expense reimbursement agreement with JC Land regarding pilots hired by Alliance Coal to operate aircraft owned by ASI and JC Land. In accordance with the expense reimbursement agreement, JC Land reimburses Alliance Coal for a portion of the compensation expense for its pilots. JC Land paid us \$0.3 million in 2018 pursuant to this agreement. Separately, we billed JC Land \$0.5 million during 2018 for fuel, maintenance, pilot travel, etc. paid by us on their behalf.

SGP

Tunnel Ridge has a surface land lease with SGP with an annual payment of \$0.2 million, payable in January of each year. The property subject to this lease is now owned by the Joseph W. Craft III Foundation and the Kathleen S. Craft Foundation, an undivided one-half interest each. Beginning in January 2019, the annual payments will be made to these charitable foundations.

Omnibus Agreement

We are party to an omnibus agreement with ARH, MGP and AGP, which govern potential competition among us and the other parties to this agreement. Pursuant to the terms of the omnibus agreement, ARH and AGP agreed, and caused their controlled affiliates to agree, for so long as management controls MGP, not to engage in the business of mining, marketing or transporting coal in the United States, unless it first offers us the opportunity to engage in a potential activity or acquire a potential business, and the Board of Directors, with the concurrence of its Conflicts Committee, elects to cause us not to pursue such opportunity or acquisition. In addition, ARH has the ability to purchase businesses, the majority value of which is not mining, marketing or transporting coal, provided ARH offers us the opportunity to purchase the coal assets following their acquisition. The restriction does not apply to the assets retained and business conducted by ARH at the closing of our initial public offering. Except as provided above, ARH and AGP and their controlled affiliates are prohibited from engaging in activities wherein they compete directly with us. In addition to its non-competition provisions, the agreement also provides for indemnification of us against liabilities associated with certain assets and businesses of ARH that were disposed of or liquidated prior to consummating our initial public offering.

Director Independence

As a publicly traded limited partnership listed on the NASDAQ Global Select Market, we are required to maintain a sufficient number of independent directors on the board of our general partner to satisfy the audit committee requirement set forth in NASDAQ Rule 4350(d)(2). Rule 4350(d)(2) requires us to maintain an audit committee of at least three members, each of whom must, among other requirements, be independent as defined under NASDAQ Rule 4200(a)(15)

Table of Contents

and meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Exchange Act (subject to the exemptions provided in Rule 10A-3(c)).

All members and former members of the Audit Committee—Messrs. Torrence, Carter, Druten, Neafsey and Robinson—and all members and former members of the Compensation Committee—Messrs. Robinson, Carter, Druten, Neafsey and Torrence—are independent directors as defined under applicable NASDAQ and Exchange Act rules. Please see "Item 10. Directors, Executive Officers and Corporate Governance of the General Partner—Audit Committee" and "Item 11. Executive Compensation—Compensation Discussion and Analysis."

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The firm of Ernst & Young LLP is our independent registered public accounting firm. The following table sets forth fees paid to Ernst & Young LLP during the years ended December 31, 2018 and 2017:

	2018	2017
	(in thousands)	
Audit Fees (1)	\$ 1,093	\$ 969
Audit-related fees (2)	—	—
Tax fees (3)	460	205
All other fees	—	—
Total	\$ 1,553	\$ 1,174

-
- (1) Audit fees consist primarily of the audit and quarterly reviews of the consolidated financial statements, but can also be related to statutory audits of subsidiaries required by governmental or regulatory bodies, attestation services required by statute or regulation, comfort letters, consents, assistance with and review of documents filed with the SEC, work performed by tax professionals in connection with the audit and quarterly reviews, and accounting and financial reporting consultations and research work necessary to comply with GAAP.
- (2) Audit-related fees include fees related to acquisition due diligence and accounting consultations.
- (3) Tax fees consist primarily of services rendered for tax compliance, tax advice, and tax planning.

The charter of the Audit Committee provides that the committee is responsible for the pre-approval of all auditing services and permitted non-audit services to be performed for us by our independent registered public accounting firm, subject to the requirements of applicable law. In accordance with such charter, the Audit Committee may delegate the authority to grant such pre-approvals to the Audit Committee chairman or a sub-committee of the Audit Committee, which pre-approvals are then reviewed by the full Audit Committee at its next regular meeting. Typically, however,

the Audit Committee itself reviews the matters to be approved. The Audit Committee periodically monitors the services rendered by and actual fees paid to the independent registered public accounting firm to ensure that such services are within the parameters approved by the Audit Committee.

151

Table of Contents

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) Financial Statements.

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	79
<u>Consolidated Balance Sheets</u>	80
<u>Consolidated Statements of Income</u>	81
<u>Consolidated Statements of Comprehensive Income</u>	82
<u>Consolidated Statements of Cash Flows</u>	83
<u>Consolidated Statement of Partners' Capital</u>	84
<u>Notes to Consolidated Financial Statements</u>	85
1. <u>Organization and Presentation</u>	85
2. <u>Summary of Significant Accounting Policies</u>	87
3. <u>Long-Lived Asset Impairments</u>	95
4. <u>Inventories</u>	96
5. <u>Property, Plant and Equipment</u>	96
6. <u>Long-Term Debt</u>	97
7. <u>Fair Value Measurements</u>	99
8. <u>Partners' Capital</u>	99
9. <u>Variable Interest Entities</u>	100
10. <u>Investments</u>	102
11. <u>Revenue From Contracts With Customers</u>	103
12. <u>Net Income of ARLP Per Limited Partner Unit</u>	103
13. <u>Employee Benefit Plans</u>	105
14. <u>Compensation Plans</u>	108
15. <u>Supplemental Cash Flow Information</u>	111
16. <u>Asset Retirement Obligations</u>	111
17. <u>Accrued Workers' Compensation and Pneumoconiosis Benefits</u>	112
18. <u>Related-Party Transactions</u>	114
19. <u>Commitments and Contingencies</u>	116
20. <u>Concentration of Credit Risk and Major Customers</u>	117
21. <u>Segment Information</u>	118
22. <u>Selected Quarterly Financial Data (Unaudited)</u>	120
23. <u>Subsequent Events</u>	121

(a)(2)Financial Statement Schedule.

23. Schedule II 123

All other schedules are omitted because they are not applicable or the information is shown in the financial statements or notes thereto.

(a)(3) and (c) The exhibits listed below are filed as part of this annual report.

152

Table of Contents

Exhibit Number	Exhibit Description	Form	Incorporated by Reference		Filing Date	Filed Herewith*
			SEC File No. and Film No.	Exhibit		
2.1	<u>Simplification Agreement, dated as of February 22, 2018, by and among Alliance Holdings GP, L.P., Alliance GP, LLC, Wildcat GP Merger Sub, LLC, MGP II, LLC, ARM GP Holdings, Inc., New AHGP GP, LLC, Alliance Resource Partners, L.P., Alliance Resource Management GP, LLC and Alliance Resource GP, LLC.</u>	8-K	000-26823 18634680	2.1	02/23/2018	
3.1	<u>Fourth Amended and Restated Agreement of Limited Partnership of Alliance Resource Partners, L.P.</u>	8-K	000-26823 17990766	3.2	07/28/2017	
3.2	<u>Amended and Restated Agreement of Limited Partnership of Alliance Resource Operating Partners, L.P.</u>	10-K	000-26823 583595	3.2	03/29/2000	
3.3	<u>Amended and Restated Certificate of Limited Partnership of Alliance Resource Partners, L.P.</u>	8-K	000-26823 17990766	3.6	07/28/2017	
3.4	<u>Certificate of Limited Partnership of Alliance Resource Operating Partners, L.P.</u>	S-1/A	333-78845 99669102	3.8	07/23/1999	
3.5	<u>Certificate of Formation of Alliance Resource Management GP, LLC</u>	S-1/A	333-78845 99669102	3.7	07/23/1999	
3.6	<u>Amendment No. 1 to the Fourth Amended and Restated Agreement of Limited Partnership of Alliance Resource Partners, L.P.</u>	10-K	000-26823 18634680	3.9	02/23/2018	
3.7	<u>Amendment No. 2 to Fourth Amended and Restated Agreement of Limited Partnership of Alliance Resource Partners, L.P., dated as of May 31,</u>	8-K	000-26823 1883834	3.3	06/06/2018	

2018.

3.8	<u>Amendment No. 3 to Fourth Amended and Restated Agreement of Limited Partnership of Alliance Resource Partners, L.P., dated as of June 1, 2018.</u>	8-K	000-26823 1883834	3.4	06/06/2018
3.9	<u>Amendment No. 1 to Amended and Restated Agreement of Limited Partnership of Alliance Resource Operating Partners, L.P., dated as of May 31, 2018.</u>	8-K	000-26823 1883834	3.5	06/06/2018
3.10	<u>Third Amended and Restated Operating Agreement of Alliance Resource Management GP, LLC, dated as of May 31, 2018.</u>	8-K	000-26823 1883834	3.7	06/06/2018

153

Table of Contents

Exhibit Number	Exhibit Description	Form	Incorporated by Reference		Filing Date	Filed Herewith*
			SEC File No. and Film No.	Exhibit		
4.1	<u>Form of Common Unit Certificate (Included as Exhibit A to the Second Amended and Restated Agreement of Limited Partnership of Alliance Resource Partners, L.P., included in this Exhibit Index as Exhibit 3.1).</u>	8-K	000-26823 08763867	3.1	04/18/2008	
4.2	<u>Indenture, dated as of April 24, 2017, by and among Alliance Resource Operating Partners, L.P. and Alliance Resource Finance Corporation, as issuers, Alliance Resource Partners, L.P., as parent, the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as trustee.</u>	8-K	000-26823 17798539	4.1	04/24/2017	
4.3	<u>Form of 7.500% Senior Note due 2025 (included in Exhibit 4.2).</u>	8-K	000-26823 17798539	4.1	04/24/2017	
10.1	<u>Note Purchase Agreement, dated as of August 16, 1999, among Alliance Resource GP, LLC and the purchasers named therein.</u>	10-K	000-26823 583595	10.2	03/29/2000	
10.2	<u>Amendment and Restatement of Letter of Credit Facility Agreement dated October 2, 2010.</u>	10-Q	000-26823 11823116	10.1	05/09/2011	
10.3	<u>Letter of Credit Facility Agreement dated as of October 2, 2001, between Alliance Resource Partners, L.P. and Bank of the Lakes, National Association.</u>	10-Q	000-26823 1782487	10.25	11/13/2001	
10.4	<u>First Amendment to the Letter of Credit Facility Agreement between Alliance Resource Partners, L.P. and Bank of the Lakes, National Association.</u>	10-Q	000-26823 02827517	10.32	11/14/2002	
10.5	<u>Promissory Note Agreement dated as of October 2, 2001, between Alliance</u>	10-Q	000-26823	10.26	11/13/2001	

	<u>Resource Partners, L.P. and Bank of the Lakes, N.A.</u>		1782487		
10.6	<u>Guarantee Agreement, dated as of October 2, 2001, between Alliance Resource GP, LLC and Bank of the Lakes, N.A.</u>	10-Q	000-26823	10.27	11/13/2001
			1782487		
10.7	<u>Contribution and Assumption Agreement, dated August 16, 1999, among Alliance Resource Holdings, Inc., Alliance Resource Management GP, LLC, Alliance Resource GP, LLC, Alliance Resource Partners, L.P., Alliance Resource Operating Partners, L.P. and the other parties named therein</u>	10-K	000-26823	10.3	03/29/2000
			583595		
10.8	<u>Omnibus Agreement, dated August 16, 1999, among Alliance Resource Holdings, Inc., Alliance Resource Management GP, LLC, Alliance Resource GP, LLC and Alliance Resource Partners, L.P.</u>	10-K	000-26823	10.4	03/29/2000
			583595		

Table of Contents

Exhibit Number	Exhibit Description	Form	Incorporated by Reference		Filing Date	Filed Herewith*
			SEC File No. and Film No.	Exhibit		
10.9(1)	<u>Amended and Restated Alliance Coal, LLC 2000 Long-Term Incentive Plan</u>	10-K	000-26823 04667577	10.17	03/15/2004	
10.10(1)	<u>First Amendment to the Alliance Coal, LLC 2000 Long-Term Incentive Plan</u>	10-K	000-26823 04667577	10.18	03/15/2004	
10.11(1)	<u>Alliance Coal, LLC Short-Term Incentive Plan</u>	10-K	000-26823 583595	10.12	03/29/2000	
10.12(1)	<u>Alliance Coal, LLC Supplemental Executive Retirement Plan</u>	S-8	333-85258 02595143	99.2	04/01/2002	
10.13(1)	<u>Alliance Resource Management GP, LLC Deferred Compensation Plan for Directors</u>	S-8	333-85258 02595143	99.3	04/01/2002	
10.14	<u>Guaranty by Alliance Resource Partners, L.P. dated March 16, 2012</u>	10-Q	000-26823 12825281	10.3	05/09/2012	
10.15(2)	<u>Base Contract for Purchase and Sale of Coal, dated March 16, 2012, between Seminole Electric Cooperative, Inc. and Alliance Coal, LLC</u>	10-Q	000-26823 12825281	10.1	05/09/2012	
10.16(2)	<u>Contract of Confirmation, effective March 16, 2012, between Seminole Electric Cooperative, Inc., Alliance Coal, LLC and Alliance Resource Partners, L.P.</u>	10-Q/A	000-26823 12947715	10.2	07/05/2012	
10.17	<u>Amended and Restated Charter for the Audit Committee of the Board of Directors dated February 23, 2009</u>	10-K	000-26823 09647063	10.35	03/02/2009	
10.18		10-Q	000-26823	10.1	08/09/2006	

Second Amendment to the Omnibus Agreement dated May 15, 2006 by and among Alliance Resource Partners, L.P., Alliance Resource GP, LLC, Alliance Resource Management GP, LLC, Alliance Resource Holdings, Inc., Alliance Resource Holdings II, Inc., AMH-II, LLC, Alliance Holdings GP, L.P., Alliance GP, LLC and Alliance Management Holdings, LLC

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10.19	<u>Administrative Services Agreement dated May 15, 2006 among Alliance Resource Partners, L.P., Alliance Resource Management GP, LLC, Alliance Resource Holdings II, Inc., Alliance Holdings GP, L.P. and Alliance GP, LLC</u>	10-Q	000-26823 061017824	10.2	08/09/2006
10.20(1)	<u>First Amendment to the Amended and Restated Alliance Coal, LLC Supplemental Executive Retirement Plan</u>	10-K	000-26823 07660999	10.50	03/01/2007

155

Table of Contents

Exhibit Number	Exhibit Description	Form	Incorporated by Reference		Filing Date	Filed Herewith*
			SEC File No. and Film No.	Exhibit		
10.21(1)	<u>Second Amendment to the Amended and Restated Alliance Coal, LLC Supplemental Executive Retirement Plan</u>	10-K	000-26823 08654096	10.50	02/29/2008	
10.22(1)	<u>First Amendment to the Alliance Coal, LLC Short-Term Incentive Plan</u>	10-K	000-26823 07660999	10.52	03/01/2007	
10.23(1)	<u>Second Amendment to the Alliance Coal, LLC Short-Term Incentive Plan</u>	10-K	000-26823 08654096	10.53	02/29/2008	
10.24	<u>Note Purchase Agreement, 6.28% Senior Notes Due June 26, 2015, and 6.72% Senior Notes due June 26, 2018, dated as of June 26, 2008, by and among Alliance Resource Operating Partners, L.P. and various investors</u>	8-K	000-26823 08928968	10.1	07/01/2008	
10.25	<u>First Amendment, dated as of June 26, 2008, to the Note Purchase Agreement, dated August 16, 1999, 8.31% Senior Notes due August 20, 2014, by and among Alliance Resource Operating Partners, L.P. (as successor to Alliance Resource GP, LLC) and various investors</u>	8-K	000-26823 08928968	10.2	07/01/2008	
10.26(1)	<u>Third Amendment to the Amended and Restated Alliance Coal, LLC Supplemental Executive Retirement Plan</u>	10-K	000-26823 09647063	10.52	03/02/2009	
10.27(1)	<u>Amended and Restated Alliance Coal, LLC Supplemental Executive Retirement Plan dated as of January 1, 2011</u>	10-K	000-26823 11645603	10.40	02/28/2011	
10.28(1)	<u>Amended and Restated Alliance Resource Management GP, LLC Deferred Compensation Plan for</u>	10-K	000-26823 11645603	10.42	02/28/2011	

Directors dated as of January 1, 2011

10.29	<u>Amendment No. 2 to Letter of Credit Facility Agreement between Alliance Resource Partners, L.P. and Bank of the Lakes, National Association, dated April 13, 2009</u>	10-Q	000-26823 09811514	10.1	05/08/2009
10.30(2)	<u>Agreement for the Supply of Coal, dated August 20, 2009 between Tennessee Valley Authority and Alliance Coal, LLC</u>	10-Q	000-26823 091164883	10.2	11/06/2009
10.31	<u>Amended and Restated Charter for the Compensation Committee of the Board of Directors dated February 23, 2010.</u>	10-K	000-26823 10638795	10.49	02/26/2010
10.32	<u>Amended and Restated Administrative Services Agreement effective January 1, 2010, among Alliance Resource Partners, L.P., Alliance Resource Management GP, LLC, Alliance Resource Holdings II, Inc., Alliance Resource Operating Partners, L.P., Alliance Holdings GP, L.P. and Alliance GP, LLC.</u>	10-Q	000-26823 101000555	10.1	08/09/2010

Table of Contents

Exhibit Number	Exhibit Description	Form	Incorporated by Reference		Filing Date	Filed Herewith*
			SEC File No. and Film No.	Exhibit		
10.33	<u>Uncommitted Line of Credit and Reimbursement Agreement dated April 9, 2010 between Alliance Resource Partners, L.P. and Fifth Third Bank.</u>	10-Q	000-26823 101000555	10.2	08/09/2010	
10.34	<u>Purchase and Sale Agreement, dated as of December 5, 2014, among Alliance Resource Operating Partners, L.P., as buyer and Alliance Coal, LLC, Gibson County Coal, LLC, Hopkins County Coal, LLC, Mettiki Coal (WV), LLC, Mt. Vernon Transfer Terminal, LLC, River View Coal, LLC, Sebree Mining, LLC, Tunnel Ridge, LLC and White County Coal, LLC, as originators</u>	8-K	000-26823 141277053	10.1	12/10/2014	
10.35	<u>Sale and Contribution Agreement, dated as of December 5, 2014, among Alliance Resource Operating Partners, L.P., as seller and AROP Funding, LLC, as buyer</u>	8-K	000-26823 141277053	10.2	12/10/2014	
10.36	<u>Receivables Financing Agreement, dated as of December 5, 2014, among Borrower, PNC Bank, National Association, as administrative agent as well as the letter of credit bank, the persons from time to time party thereto as lenders, the persons from time to time party thereto as letter of credit participants, and Alliance Coal, LLC, as initial servicer</u>	8-K	000-26823 141277053	10.3	12/10/2014	
10.37	<u>Performance Guaranty, dated as of December 5, 2014, by AROP in favor of PNC Bank, National Association, as administrative agent</u>	8-K	000-26823 141277053	10.4	12/10/2014	
10.38		8-K	000-26823	10.1	11/04/2015	

Master Lease Agreement, dated as of October 29, 2015, between Alliance Resource Operating Partners, L.P., Hamilton County Coal, LLC and White Oak Resources LLC, as lessees, and PNC Equipment Finance, LLC and the other lessors named therein.

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10.39(1)	<u>The Amended and Restated Alliance Coal, LLC Long-Term Incentive Plan as amended by the Third Amendment and Fourth Amendment</u>	10-K	000-26823	10.46	02/26/2016
			161460619		
10.40	<u>First Amendment to the Receivables Financing Agreement, dated as of December 4, 2015</u>	10-Q	000-26823	10.1	05/10/2016
			161634229		
10.41	<u>Second Amendment to the Receivables Financing Agreement, dated as of February 24, 2016</u>	10-Q	000-26823	10.2	05/10/2016
			161634229		

157

Table of Contents

Exhibit Number	Exhibit Description	Form	Incorporated by Reference		Filing Date	Filed Herewith*
			SEC File No. and Film No.	Exhibit		
10.42	<u>Joinder Agreement, dated as of February 24, 2016, among Warrior Coal, LLC, Webster County Coal, LLC, White Oak Resources LLC and Hamilton County Coal, LLC, dated as of February 24, 2016</u>	10-Q	000-26823 161634229	10.3	05/10/2016	
10.43	<u>Fourth Amended and Restated Credit Agreement, dated as of January 27, 2017, by and among Alliance Resource Operating Partners, L.P., as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.</u>	8-K	000-26823 17567534	10.1	02/02/2017	
10.44	<u>First Amendment to Note Purchase Agreement, dated as of January 27, 2017, by and among Alliance Resource Operating Partners, L.P. and the subsidiary guarantors and various investors named therein.</u>	8-K	000-26823 17567534	10.2	02/02/2017	
10.45	<u>Third Amendment to the Receivables Financing Agreement, dated as of December 2, 2016</u>	10-K	000-26823 17636362	10.45	02/24/2017	
10.46	<u>Amendment No. 1 dated April 3, 2017 to the Fourth Amended and Restated Credit Agreement, dated as of January 27, 2017, by and among Alliance Resource Operating Partners, L.P., as borrower, the initial lenders, initial issuing banks and swingline bank named therein, JPMorgan Chase Bank, N.A., as administrative agent, JPMorgan Chase Bank, N.A., Wells Fargo Securities, LLC and Citigroup Global Markets Inc. as joint lead arrangers, JPMorgan Chase Bank, N.A., Wells Fargo Securities, LLC, Citigroup Global Markets Inc., and BOKE, NA DBA Bank of Oklahoma as joint bookrunners, Wells Fargo Bank,</u>	8-K	000-26823 17750742	10.1	04/07/2017	

National Association, Citibank, N.A.,
and BOKF, NA DBA Bank of
Oklahoma as syndication agents, and
the other institutions named therein as
documentation agents.

10.47	<u>Fourth Amendment to the Receivables Financing Agreement, dated as of November 27, 2017</u>	10-K	000-26823 18634680	10.47	02/23/2018
10.48	<u>Fifth Amendment to the Receivables Financing Agreement, dated as of January 17, 2018</u>	10-K	000-26823 18634680	10.48	02/23/2018
10.49	<u>Contribution Agreement, dated as of July 28, 2017, by and among Alliance Resource Partners, L.P., Alliance Resource Management GP, LLC, Alliance Resource GP, LLC, ARM GP Holdings, Inc., MGP II, LLC and Alliance Holdings GP, L.P.</u>	8-K	000-26823 17990766	10.1	07/28/2017

158

Table of Contents

Exhibit Number	Exhibit Description	Form	Incorporated by Reference		Filing Date	Filed Herewith*
			SEC File No. and Film No.	Exhibit		
10.50	<u>First Amendment to Contribution Agreement, dated as of May 31, 2018, by and among Alliance Resource Partners, L.P., Alliance Resource Management GP, LLC, Alliance Resource GP, LLC, ARM GP Holdings, Inc., MGP II, LLC and Alliance Holdings GP, L.P.</u>	8-K	000-26823 18883834	10.1	06/06/2018	
10.51	<u>Sixth Amendment to the Receivables Financing Agreement, dated as of June 19, 2018</u>	10-Q	000-26823 18994075	10.2	08/06/2018	
10.52	<u>Seventh Amendment to the Receivables Financing Agreement, dated as of January 16, 2019</u>					
10.53	<u>Subscription Agreement for Partnership Interest - General Partner Interest dated December 14, 2018 by and among Alliance Resource Partners, L.P., AllDale Minerals, LP and AllDale Mineral Management, LLC.</u>					
10.54	<u>Subscription Agreement for Partnership Interest - Limited Partner Interest dated December 14, 2018 by and among Alliance Resource Partners, L.P., AllDale Minerals, LP and AllDale Mineral Management, LLC.</u>					
10.55	<u>Subscription Agreement for Partnership Interest - General Partner Interest dated December 14, 2018 by and among Alliance Resource Partners, L.P., AllDale Minerals II, LP and AllDale Mineral Management II, LLC.</u>					
10.56	<u>Subscription Agreement for Partnership Interest - Limited Partner Interest dated December 14, 2018 by and among</u>					

Alliance Resource Partners, L.P.,
AllDale Minerals II, LP and AllDale
Mineral Management II, LLC.

10.57 AllDale Minerals, LP Joinder
Agreements dated January 3, 2019 by
and among Alliance Royalty, LLC,
AllRoy GP, LLC and AllDale Minerals,
LP.

10.58 AllDale Minerals II, LP Joinder
Agreements dated January 3, 2019 by
and among Alliance Royalty, LLC,
AllRoy GP, LLC and AllDale Minerals
II, LP.

14.1	<u>Code of Ethics for Principal Executive</u>	10-K	000-26823	14.1	03/01/2013
	<u>Officer and Senior Financial Officers</u>		13656028		

159

Table of Contents

Exhibit Number	Exhibit Description	Incorporated by Reference			Filing Date	Filed Herewith*
		Form	SEC File No. and Film No.	Exhibit		
21.1	<u>List of Subsidiaries.</u>					
23.1	<u>Consent of Ernst & Young LLP.</u>					
31.1	<u>Certification of Joseph W. Craft III, President, Chief Executive Officer and Chairman of Alliance Resource Management GP, LLC, the general partner of Alliance Resource Partners, L.P., dated February 22, 2019, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>					
31.2	<u>Certification of Brian L. Cantrell, Senior Vice President and Chief Financial Officer of Alliance Resource Management GP, LLC, the general partner of Alliance Resource Partners, L.P., dated February 22, 2019, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>					
32.1	<u>Certification of Joseph W. Craft III, President, Chief Executive Officer and Chairman of Alliance Resource Management GP, LLC, the general partner of Alliance Resource Partners, L.P., dated February 22, 2019, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>					
32.2	<u>Certification of Brian L. Cantrell, Senior Vice President and Chief Financial Officer of Alliance Resource Management GP, LLC, the general partner of Alliance Resource Partners, L.P., dated February 22, 2019, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>					
95.1						

Federal Mine Safety and Health Act
Information

101 Interactive Data File (Form 10-K for the year ended December 31, 2018 filed in XBRL).

* Filed herewith (or furnished, in the case of Exhibits 32.1 and 32.2).

-
- (1) Denotes management contract or compensatory plan or arrangement.
(2) Portions of this exhibit have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Exchange Act, as amended, and the omitted material has been separately filed with the SEC.

160

Table of Contents

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, in Tulsa, Oklahoma, on February 22, 2019.

ALLIANCE
RESOURCE
PARTNERS, L.P.

By: Alliance
Resource
Management
GP, LLC
its general
partner

/s/ Joseph W. Craft
III
Joseph W. Craft III
President, Chief
Executive
Officer and Chairman

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Joseph W. Craft III Joseph W. Craft III	President, Chief Executive Officer, and Chairman (Principal Executive Officer)	February 22, 2019
/s/ Brian L. Cantrell Brian L. Cantrell	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	February 22, 2019
/s/ Robert J. Fouch Robert J. Fouch	Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)	February 22, 2019

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/s/ Nick Carter Nick Carter	Director	February 22, 2019
/s/ Robert J. Druten Robert J. Druten	Director	February 22, 2019
/s/ John H. Robinson John H. Robinson	Director	February 22, 2019
/s/ Wilson M. Torrence Wilson M. Torrence	Director	February 22, 2019
/s/ Charles R. Wesley Charles R. Wesley	Executive Vice President and Director	February 22, 2019